OUR MISSION

Innovating materials to drive the green energy revolution for a low-carbon future.

OUR VISION

Leading global innovation in new energy materials.

OVERVIEW

Who we are

We are a globally leading new energy materials company specialized in the R&D and manufacturing of advanced functional current collectors. Leveraging our proprietary technologies and R&D capabilities across the entire current collector value chain, we provide battery manufacturers and EV OEMs with advanced functional current collector products and technology solutions. As the lithium-ion battery industry enters the "TWh Era," downstream market participants are imposing increasingly stringent requirements on technical specifications and performance metrics in terms of safety, energy density, cycle life, cost and charging speed. To address these requirements, we develop and supply advanced functional current collectors designed to enhance safety and energy density while reducing costs and minimizing the consumption of natural resources and energy.

Our roots can be traced back to a professional team with extensive experience in the new energy materials industry. Our co-founder and chairman, Dr. LI Xuefa, has over 20 years of experience in new energy materials sectors, with extensive entrepreneurial experience and demonstrable leadership capabilities. His profound technical expertise in materials science, combined with strategic insight into market trends, has enabled us to achieve industrial-scale breakthroughs in frontier R&D and successfully commercialize our innovations. Under his leadership, we have established ourselves as a global leader in advanced functional current collectors, and are expanding their applications beyond the lithium-ion battery industry into other fast-growing sectors, such as photovoltaics, high-end electronics and aerospace.

We have built comprehensive technology and manufacturing capabilities, supported by independently developed advanced technologies, proprietary and innovative production processes, core equipment co-engineered with strategic suppliers, and fully validated mass production capabilities. These capabilities enable us to deliver high-quality products consistently, support rapid scaling of production, and maintain stringent quality standards required by the new energy materials industry. We have successfully turned R&D breakthroughs in advanced functional current collectors into large-scale production capacity for high-performance lithium-ion batteries as well as next-generation solid-liquid batteries. Our products and technologies are instrumental in supporting the global transition toward green energy and a low-carbon future. According to Frost & Sullivan, we ranked third globally among manufacturers of FICC by shipment volume in 2025. With an annual production capacity of 62.9 million sq.m, we ranked first globally among composite current collector manufacturers as of December 31, 2025. Our sustained investment in R&D, together with a consistent record of product reliability and performance, has earned us strong recognition among leading customers worldwide, and supported a series of significant achievements, including:

Notes:

(1) In terms of annual production capacity as of December 31, 2025, according to Frost & Sullivan.
(2) In terms of shipment volume in 2025, according to Frost & Sullivan.
(3) As of the Latest Practicable Date.
(4) According to Frost & Sullivan.
(5) From 2023 to 2025.

What we do

We offer a comprehensive portfolio of advanced functional current collector products and provide end-to-end technology solutions encompassing R&D, testing, integration and mass production. Leveraging our technological expertise, we support the industry's transition by enabling customers to adopt advanced functional current collectors, which enhance battery performance metrics and facilitate the commercialization of next-generation battery systems. Our product portfolios consist of the following:

- *ADCC*. ADCC are composite structures formed by depositing atomic-scale metal layers on polymer substrates, offering a balanced combination of safety, tensile strength, and cost-effectiveness, while significantly enhancing the energy density of batteries. By integrating advanced atomic deposition processes and base film modification technologies, our ADCC products demonstrate superior performance in adhesion,

density, and elongation. We work closely with battery manufacturers and automotive OEMs to address their specific requirements and provide technical support for the adoption of ADCC in place of traditional copper and aluminum foils.

- *FICC.* FICC are nano carbon-coated products with customized functional properties developed based on customer requirements. These current collectors are designed to significantly enhance safety, meet fast-charging and discharging requirements, extend battery cycle life, effectively reduce interfacial impedance, and improve high-temperature performance. For applications in batteries for high-end consumer electronics, we have also developed interfacial safety current collectors, which provide enhanced safety at the material level while improving cycle performance. In addition, we have developed sodium-ion functional interface current collectors, which are designed for sodium-ion battery anode systems to minimize initial capacity loss from hard carbon, reduce interfacial impedance and improve rate performance.

- *Bipolar current collectors.* Our bipolar current collectors are specialized components designed for bipolar battery systems. By converting the internal electrode connection from parallel to full series configuration, these current collectors enable the stacking of small cells to achieve high voltage output, significantly increase pack level energy density, and support ultra-high-rate fast charging and discharging.

- *Dry electrode current collectors.* Our dry electrode current collectors are specialized components designed for dry electrode processes and are highly compatible with solid-state batteries. They enable next-generation solvent-free, environmentally friendly electrode manufacturing technologies, offering significant environmental advantages, lower production costs and superior battery performance.

We are in the process of developing prelithiated current collectors, a key innovation within our pipeline of advanced functional current collectors. These current collectors are engineered to significantly improve the initial coulombic efficiency of lithium-ion batteries, mitigate the initial capacity loss associated with Si-C anode materials, and enhance the kinetic performance of lithium-ion batteries throughout charge and discharge cycles. Alongside this flagship development, our pipeline also includes integrated cathode and anode electrode sheets and solid-state battery current collectors. We are also developing composite materials for photovoltaics, high-end electronics and aerospace applications. We believe such materials have substantial market potential.

Our Market Opportunities

Advanced functional current collectors have significant growth potential. In recent years, the global energy landscape has been rapidly shifting toward clean energy, with lithium-ion batteries becoming a core energy storage technology and experiencing sustained growth in demand. According to Frost & Sullivan, the global shipment volume of lithium-ion batteries increased from 554.0 GWh in 2021 to 2,224.6 GWh in 2025, representing a CAGR of 41.6%. With ongoing technological advancements and cost reductions, the lithium-ion battery market is expected to expand further. It is expected that shipments of lithium-ion batteries will reach 8,235.0 GWh by 2031, with a CAGR of 21.9% between 2026 and 2031.

With accelerating technological innovation in the lithium-ion battery industry, downstream market participants are placing increasingly stringent requirements on battery performance and transmitting cost-reduction pressures upstream to material suppliers. As a core material for battery cells, advanced functional current collectors have been gaining market share, driven by their advantages in lightweight design, enhanced safety and cost-effectiveness, and are gradually

replacing traditional pure metal current collectors in mainstream applications. According to Frost & Sullivan, the global consumption volume of composite current collectors is expected to increase from 105.6 million sq.m. in 2026 to 14,289.5 million sq.m. in 2031, representing a CAGR of 166.9% during the period. By 2031, the penetration rate of Cu composite current collectors is projected to reach 8.5%, while that of Al composite current collectors is expected to reach 6.6%. By 2031, the penetration rate of Al-FICC is anticipated to reach 62.8%, and that of Cu-FICC is projected to reach 26.4%. The following are key downstream industry sectors for the expanding application scenarios for advanced functional current collectors.

- *EV batteries*. The adoption of composite current collectors enables batteries to achieve lighter weight and thinner profiles, thereby increasing overall energy density by 5.0% to 10.0%, while reducing overall cell costs by 3% to 5%. The use of nano carbon-coated current collectors further enhances fast-charging and discharging performance, improves corrosion resistance and increases electrochemical stability.

- *Energy storage batteries*. With the continued rise in copper price, the cost of traditional copper foil has become the second-largest component in terms of material cost in lithium iron phosphate battery systems. The adoption of composite current collectors can significantly reduce cell costs. In addition, the use of nano carbon-coated current collectors can effectively prevent electrolyte corrosion, enhance stability and extend the service life of energy storage batteries.

- *Consumer batteries*. In the consumer electronics sector, the pursuit of ultrathin designs and maximum energy density in smartphones and portable devices is driving the adoption of advanced functional current collectors. This trend is expected to support the development of lighter, safer and more flexible consumer digital products in the future. In the low-altitude economy sector, the principle of "zero tolerance for safety risks" imposes stringent requirements on aircraft batteries for safety, lightweight design and higher energy density, thereby further promoting the application of composite current collectors.

Building on these market trends, our products are well-positioned to capture growth opportunities across these sectors. In the field of FICC, our customer-tailored products have been widely adopted in automotive batteries, energy storage batteries and consumer batteries, supporting diverse application scenarios. In the field of composite current collectors, our ADCC deliver outstanding comprehensive performance and cost efficiency, enabling us to maintain a first-mover advantage in one of the most promising current collector market segments. According to Frost & Sullivan, several leading global battery manufacturers have announced plans to adopt composite current collectors in cell production. Globally, only a limited number of qualified suppliers have achieved large-scale production capability for composite current collectors and completed customer validation for mass production. This creates significant entry barriers and positions us among a select group of suppliers expected to participate in initial large-scale adoption through strategic partnerships with leading battery manufacturers. Furthermore, our advanced functional current collectors, with their advantages in lightweight design, corrosion resistance, durability under extreme conditions and ductility, have strong potential for application in sectors such as photovoltaics, high-end electronics and aerospace, which we believe will further expand our addressable market. For details, see "Industry Overview."

Our Technology and R&D Capabilities

We are a pioneer in innovating advanced functional current collectors. Our technology leadership is supported by our forward-looking R&D roadmap and systematic research processes, supported by experienced R&D personnel and sustained investment in R&D, which together

provide a solid foundation for long-term technological advancement and industry leadership. We maintain close collaboration with partners across the industry value chain, establishing robust R&D partnerships and fostering a synergistic innovation ecosystem:

- *Customer collaboration.* Beyond supplying materials, we provide customers with end-to-end technical support, from concept cultivation, project initiation and sample development to battery production line modification. We collaborate with leading global battery manufacturers, automotive OEMs and consumer electronics companies to jointly develop battery technologies and provide technical support for advanced functional current collector integration. Through promoting adoption of advanced functional current collectors and iterating products based on customer feedback, we help customers improve battery performance and accelerate next-generation technology development.

- *Supplier collaboration.* We maintain cooperative relationships with suppliers such as Kunshan Dongwei Technology Co., Ltd., NAURA Technology Group Co., Ltd. and Jason Microsystem (H.Z.) Holdings Limited, leveraging our proprietary patents to jointly develop production equipment that integrates multiple process functions and core components into a single device. This integration reduces process steps and optimizes production flows. We have upgraded our core production equipment to enable precise control of the metal atomic deposition process, allowing deposition of metal layers at atomic, nanometer and submicron scales.

- *Research institution collaboration.* We collaborate with leading research institutions, including Tsinghua University and Nankai University, to advance research on key technologies. We focus on transforming theoretical research into practical industrial applications, promoting commercialization of technological breakthroughs.

We adopt a collaborative R&D model that integrates feedback from customers, suppliers and research institutions with our proprietary R&D and engineering data. Through iterative validation and optimization, we create synergies that enhance knowledge sharing and accelerate technology and product development cycles. As of December 31, 2025, we had 183 R&D and technical personnel, representing 21.3% of our total workforce. As of the Latest Practicable Date, we had 444 patents granted and 1,124 patents under application worldwide.

Our Global Customer Base

Leveraging our strong innovation capabilities and forward-looking product portfolio, we believe we have garnered the trust of customers globally. Our ability to provide stable supply and technical support is a key differentiator in an industry where reliability and early-stage collaboration are critical to customer success. We consistently adopt a technology-driven service approach, fostering long-term partnerships and facilitating the introduction of new products. For downstream customers, a stable, high-quality and cost-competitive supplier is essential to maintaining their competitive advantage. Our customers emphasize long-term collaboration and require our participation in the early-stage technical validation of new battery products. As of the Latest Practicable Date, we had established long-term partnerships with leading global battery manufacturers, automotive OEMs and consumer electronics companies.

During the Track Record Period, our customer base included leading global battery manufacturers, automotive OEMs and consumer electronics companies. In 2025, each of the world's top five EV battery manufacturers, top five energy storage battery manufacturers and top five consumer battery manufacturers were either our customers or incorporated our products into their supply chains, according to Frost & Sullivan.

Such enduring global partnerships are backed by an internationally experienced management team, with members possessing extensive industry experience in countries such as Singapore and the United States. Guided by an international expansion strategy, we develop overseas service networks to support the sustainable growth of our global business, ensuring proximity to key markets and timely delivery for global customers.

Our Financial Performance

We experienced robust growth during the Track Record Period. Our revenue increased significantly, from RMB21.9 million in 2023 to RMB258.0 million in 2024, and further increased to RMB578.6 million in 2025. Our gross loss margin was 40.1%, 24.4% and 8.6% in 2023, 2024 and 2025, respectively. As we were still in the ramp-up phase of business and continued to invest heavily in R&D and sales and marketing to support future growth, we recorded loss before income tax of RMB210.7 million, RMB243.6 million and RMB336.2 million in 2023, 2024 and 2025, respectively. Our net loss margin decreased from 956.0% in 2023 to 94.2% in 2024 and further to 58.2% in 2025. Our adjusted net loss (non-IFRS measure) was RMB143.3 million, RMB243.1 million and RMB283.2 million in 2023, 2024 and 2025, respectively. See "Financial Information — Description of Major Components of Our Results of Operations — Non-IFRS Measure" for details.

OUR COMPETITIVE STRENGTHS

Global Technology Leader in Advanced Functional Current Collectors

We are a global technology leader and pioneer in advanced functional current collectors, with industry-leading technological capabilities and mass production capacity. According to Frost & Sullivan, we ranked third globally among manufacturers of FICC by shipment volume in 2025. With an annual production capacity of 62.9 million sq.m, we ranked first globally among composite current collector manufacturers as of December 31, 2025. We have the most diverse and comprehensive formulation portfolio in the industry, with independently developed proprietary formulations covering all mainstream and emerging application domains.

In the field of composite current collectors, our ADCC incorporate structural, deposition and material innovations, delivering internationally leading product performance. These products significantly enhance lithium-ion battery safety, increase energy density, strengthen corrosion resistance and electrochemical stability, while reducing resource and energy consumption and lowering overall battery costs. Leveraging advanced technologies, efficient operations and market insight, our proprietary products have achieved an industry-leading position and deliver the following notable advantages over industry averages, as illustrated in the table below:

Cu-Atomic Deposition Current Collector

Company	Minimum Thickness	Tensile Strength	Elongation	Pinholes ≥ 200 μm	Deposition Sheet Resistance Uniformity	Dyne Value
	(μm)	*(MPa)*	*(%)*	*(pcs/1000 sq.m.)*	*(%)*	*(dyn/cm)*
Our Company	4.5	≥165	≥8	≤2	≤5	≥42
Industry Average[(1)]	6.5	125	3	60	15	38

Note :
(1) Source: Frost & Sullivan

- *Superior Mechanical and Electrical Performance*. Through advanced atomic deposition technology, our Cu-ADCC achieves a minimum thickness of 4.5 μm with tensile strength of ≥165 MPa and elongation of ≥8%, significantly outperforming industry averages. This ensures durability, flexibility, and enhanced conductivity for high-performance applications.

- *Exceptional Surface Quality and Reliability*. Process optimization and precise control of thermal and plastic deformation during deposition result in a smooth surface with minimal pinholes (≤2 pcs/1,000 sq.m.) and excellent sheet resistance uniformity (≤5%), supporting stable performance and long-term reliability.

- *Compatibility with Thinner Polymer Films*. By leveraging temperature field simulations, finite element analysis, and internal stress release modeling, we enable directional and layered atomic growth, ensuring strong adhesion (Dyne value ≥42 dyn/cm) and compatibility with thinner polymer substrates, reducing weight and improving efficiency for next-generation battery designs.

Al-Atomic Deposition Current Collector

Company	Minimum Thickness	Tensile Strength	Elongation	Pinholes ≥ 200 μm	Deposition Sheet Resistance Uniformity	Dyne Value
	(μm)	*(MPa)*	*(%)*	*(pcs/1000 sq.m.)*	*(%)*	*(dyn/cm)*
Our Company	6.5	≥230	≥50	<4	≤5	≥42
Industry Average[(1)]	8	180	30	20	10	38

Note :
(1) Source: Frost & Sullivan

- *Enhanced Mechanical Properties and Surface Quality*. Our Al-ADCC achieves a minimum thickness of 6.5 μm with tensile strength of ≥230 MPa and elongation of ≥50%, significantly outperforming industry averages. Combined with fewer pinholes (<4 pcs/1,000 sq.m.) and superior sheet resistance uniformity (≤5%), this ensures durability, flexibility, and reliable performance.

- *Advanced Process Control for Consistent Quality*. Leveraging precise control of deposition volume during metal atom phase transition and a self-feedback thermal adjustment system, we maintain steady-state evaporation and deposition, resulting in improved resistivity, reduced splashing points, and exceptional product consistency.

Our FICC products offer unique multifunctional and customized advantages, and our technology remains at the forefront of the industry. This capability is supported by our advanced functional interface technologies, which integrate materials science, fluid mechanics and semiautomated equipment processes. We employ fully automated micro-gravure printing and coating technology and develop coating materials with specific performance parameters, such as areal coating density and penetration resistance, tailored to different cell models. This enables us to meet diverse customer needs for conductivity, adhesion, thermal safety, mechanical properties and fast-charging/discharging performance, including:

- *High-rate type*. Supports fast charging above 10C, with performance improved by over 50%.

- *High-adhesion type*. Peeling strength increased by 70%, suitable for thick electrodes and enhances energy density.

- *High-safety type*. Increases internal resistance during thermal runaway by adding a safety coating, reducing the risk of thermal runaway.

- *Sodium-ion dedicated type*. Withstands over 500 water-wiping cycles and delivers excellent low-temperature performance.

- *Dry electrode dedicated type*. Compatible with solvent-free processes, with hot-press peel strength greater than 25 N/m.

In addition, we have achieved significant technological breakthroughs through joint R&D with leading customers in cutting-edge fields such as bipolar current collectors, sodium-ion functional interface current collectors and prelithiated current collectors, securing a leading position in next-generation technologies.

Market-Oriented, Forward-looking Technologies to Support Diversified Product Portfolio

Since inception, we have been dedicated to the R&D of advanced functional current collectors to meet the evolving needs of leading global customers. Leveraging our management team's deep industry insight and accurate judgment of technology trends, we have advanced simultaneously across technology R&D, process optimization, patent applications and customer certifications, consistently pursuing market-oriented and forward-looking product development. Over the years, we have accumulated extensive technical expertise and industry experience, establishing a high-performance portfolio and robust R&D pipeline of advanced functional current collector products. This foundation enables us to respond rapidly and confidently to emerging opportunities in the advanced functional current collector market.

Our R&D system is market-oriented and emphasizes collaboration across the value chain, aiming to drive technological innovation and product upgrades through efficient R&D processes and resource allocation. We have established three dedicated R&D institutes: the Advanced Technology Research Institute, the Materials Technology Research Institute and the Applied Technology Research Institute. This structure covers the entire process from fundamental research to product development, ensuring that R&D activities are closely aligned with market needs:

- *Advanced Technology Research Institute*. Focuses on developing new advanced functional current collectors, improving material performance, and exploring applications in various battery structures.

- *Materials Technology Research Institute*. Designs material structures using advanced analytical methods and collaborates with universities and research institutions on fundamental research.

- *Applied Technology Research Institute*. Develops functional coating formulations and materials, advances battery safety technologies, and explores new technology applications in different battery structures.

We adhere to a diversification strategy on product development. Through collaboration with customers on cutting-edge technology R&D, we actively innovate and develop new products to meet diverse market needs. Our joint development efforts have generated extensive technical data and experience, creating significant technical barriers that are difficult for new entrants to

overcome in the short term. As of the Latest Practicable Date, we had achieved mass production of FICC, and have made significant progress in the development and production of ADCC and breakthroughs in bipolar current collectors and dry electrode current collectors.

Our R&D team comprises professionals with deep industry expertise. Our co-founder and CTO, Dr. LI Xuefa, holds a Ph.D. from Cornell University, completed postdoctoral research at Argonne National Laboratory, and serves as a distinguished professor at Nanjing University of Science and Technology, with a research focus on polymer film materials, composite current collectors, and lithium-ion battery materials and structures. Dr. PENG Jia, head of the Advanced Technology Research Institute, holds a Ph.D. from the Shanghai Institute of Applied Physics, Chinese Academy of Sciences, and has over a decade of experience in the R&D of ADCC. Dr. XIA Jiangzhong, head of both the Materials Technology Research Institute and the Applied Technology Research Institute, has more than a decade of experience in polymer chemistry and physics. In addition, our R&D team includes leading professionals in polymers, materials, and applications, with 183 R&D personnel from renowned academic and research institutions and companies, representing 21.3% of our total workforce as of December 31, 2025.

Since our inception in 2022, we have prioritized intellectual property protection, actively pursuing patent coverage in major markets including the United States, Europe, Japan and South Korea. In parallel with maintaining our technological leadership, we have implemented robust measures to safeguard our intellectual property rights. As of the Latest Practicable Date, we had 444 patents granted and 1,124 patents under application worldwide. We also protect unpatented technical know-how through confidentiality agreements and hierarchical management of technologies.

Leveraging Strategic Customer Collaborations to Accelerate the Adoption of Advanced Battery Materials

We have established long-term strategic collaborations with leading industry customers worldwide, providing comprehensive services from materials supply to technical support for the R&D, testing, introduction and mass production of new battery cells. Through deep collaboration with top-tier customers, we support all stages of the product life cycle, including concept development, project design, system solutions, material validation, engineering, mass production and subsequent production line upgrades. This integrated approach enables us to secure a first-mover advantage for future large-scale supply, with high customer stickiness.

According to Frost & Sullivan, the typical cycle from initial engagement to mass production is one to two years for domestic EV and energy storage system customers, three to four years for overseas customers, and one to two years for consumer electronics customers. By engaging early in our customers' product development processes, we help streamline production lines, reduce development time and costs, and accelerate the adoption of advanced functional current collectors. Selected examples of customer collaboration include:

- Supporting globally leading battery manufacturers in the application of atomic deposition copper current collectors to lithium iron phosphate cells, which have completed technical validation and are ready for mass production.

- Engaging in early-stage technical cooperation with a major U.S. EV company in the field of dry electrodes, including the development of perforated ADCC to address electrolyte infiltration challenges unique to dry electrode batteries. Roll samples have been prepared and cell production is underway. In response to U.S. environmental regulations on PFAs, we are also developing water-resistant FICC for this customer.

- Participating in the development of next-generation cells with a renowned European automotive company, with our ADCC expected to be adopted in future high-end EV models.

- Collaborating with Japanese automotive companies to develop corrosion-resistant bipolar current collectors with various interface structures. These products have undergone roll sample trials, and we are actively supporting production line modifications for mass production. We are also working with these customers on cell development based on ADCC for future pure EV models.

- Partnering with several South Korean lithium-ion battery manufacturers, we have developed high-adhesion FICC, which have already achieved mass production and shipment. We are also collaborating on dry electrode FICC, which are currently in the material screening stage, and ADCC, which are undergoing multiple rounds of sample evaluation. In addition, applications of functional interface and high-safety interface current collectors are in the pilot testing stage.

Our early engagement in customers' new battery validation processes enables us to gain insight into their requirements, customize dedicated current collector technology solutions and build strong collaborative relationships that enhance customer loyalty and create significant barriers to entry for competitors.

World-Leading Engineering and Manufacturing Capabilities Enabling Scalable Commercialization and High Yield Rate

We place strong emphasis on engineering and manufacturing, adhering to a combined approach of R&D innovation and engineering implementation. We have established an integrated R&D system covering laboratory research, joint development with customers, large-scale production, product iterations and upgrades. Our R&D investment is strategically allocated to both technological breakthroughs and strengthening engineering capabilities. This ensures that our innovations are efficient and stable, and cost effectively transformed into mass-produced products, enabling rapid industrialization and timely response to customer needs.

We design, develop and apply industry-leading production processes and advanced manufacturing equipment, enabling large-scale mass production while maintaining high yield rates. For example, in Cu-ADCC, our proprietary process utilizes plasma cleaning and magnetron sputtering on polymer films to achieve atomic-level deposition of the interfacial alloy layer, which is stably bonded to the polymer substrates through nano-riveting. Subsequent high-speed, high-energy deposition of the seed layer and electroplating of the conductive copper and protective layers result in a tightly bonded multilayer structure, significantly enhancing overall product performance. Our main production equipment, including coating, magnetron sputtering, evaporation and electroplating systems, is jointly designed and manufactured with strategic suppliers, significantly improving product yield and reducing manufacturing costs.

Our strong engineering capabilities enable our advanced functional current collector products to lead the industry in yield rate and production efficiency. Yield rate is critical to our business. As of the Latest Practicable Date, the yield rate of our atomic deposition technology had stabilized around an industry-leading level of over 85%. We are also globally leading in production efficiency, according to Frost & Sullivan. For example, in the manufacturing of Cu-ADCC, we have achieved industry-leading performance, as illustrated in the table below:

Cu-Atomic Deposition Current Collector Production

Category	Production Speed	Production Width	Roll Change Efficiency	Width Utilization Rate	Target Material Utilization Rate	Deposition Uniformity	Deposition Efficiency
	(m/min)	*(mm)*	*(h)*				
Our Company	25	1900	1-2	90%	70–75%	≤5%	600nm/min
Industry Average[(1)] . .	6	1350	3	80%	40–45%	≥10%	150nm/min

Note :
(1) Source: Frost & Sullivan

Leveraging advanced production equipment and leading process technologies, we have established a leading position in the mass production of a wide range of current collectors, and are well-positioned for rapid scale-up to mass production. In addition, we have applied our atomic deposition technology to the production of new advanced functional current collectors for photovoltaics, high-end electronic electromagnetic shielding and aerospace.

Industry-Leading, Proprietary Production Equipment and Reliable Supply Chain

We have established close partnerships with multiple equipment suppliers to jointly develop advanced production equipment leveraging our proprietary patents. We are deeply involved in all stages of equipment development, from defining product design requirements to reserving interfaces for key components and modifying certain core parts in-house. This approach has not only significantly reduced equipment costs and shortened delivery times, but has also enhanced our production efficiency. Our proprietary equipment is highly customized and complex, making it difficult for other companies to adopt or replicate, thereby creating strong technical barriers to entry within the industry.

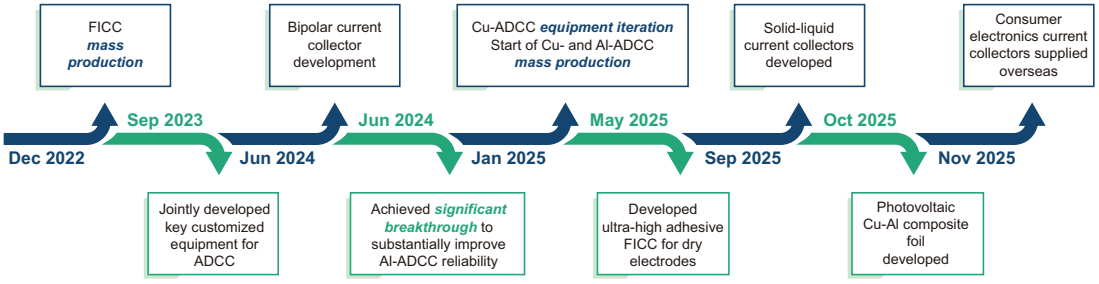
In collaboration with NAURA Technology Group, we have developed the fourth-generation domestic magnetron sputtering equipment and drum-type, one-step evaporation coating equipment. Together with Jason Microsystem (H.Z.) Holdings Limited, we have co-developed third-generation electroplating equipment with doubled production speed. In collaboration with Kunshan Dongwei Technology Co., Ltd., we have developed next-generation electroplating equipment featuring advanced process control and enhanced efficiency to support high-performance current collector manufacturing. These collaborations have significantly enhanced the performance of our core production equipment, and reduced costs and procurement cycles. In addition, we have generated proprietary intellectual property relating to equipment design and optimization through such collaboration, ensuring a reliable and resilient supply chain to support our long-term growth.

To ensure the stability and cost advantage of key raw material supply, we have built diversified supply channels. We also continue to develop atomic deposition technologies based on polymer substrates to mitigate single-type supply and price fluctuation risks.

Industry Veterans with Global Vision and Strong Support from Prominent Shareholders

We are led by an experienced management team with a global vision, comprising visionary PhD entrepreneurs with overseas educational backgrounds and core members who are industry experts from internationally recognized new energy battery materials companies. The leadership and strong execution capabilities of our management team have been instrumental in establishing our leading position in the global market.

Our co-founder and chairman, Dr. LI Xuefa, brings extensive industry experience, having previously served as founder of Jiangsu Horizon New Energy Technology Co., Ltd. Dr. LI possesses deep technical expertise and forward-looking R&D insights, with a proven track record in scaling up innovative technologies from laboratory research to large-scale industrialization. Under the leadership of Dr. LI and the management team, who prioritize continual investment in R&D and the integration of advanced technologies into our core business, we have rapidly achieved technological development and mass production across multiple advanced functional current collector fields. The following key milestones highlight our progress and achievements under their leadership:



In addition to spearheading strategic management and R&D, our leadership team leverages its strong technical backgrounds to maintain close working relationships with key domestic and international customers. By actively participating in technical discussions, project development, and solution implementation, our management team gains a deep understanding of customer requirements and builds long-term trust. This hands-on approach enables us to anticipate customer needs, deliver tailored solutions and strengthen our position as a trusted partner in the industry.

We have also received strong support from a number of well-known international and domestic investment institutions, including Temasek, Hongshan, CICC, Chobe Capital, TPC Group, JIC Investment, Beijing Ruizhen and Glory Ventures. Our shareholders provide significant momentum and assurance for the company's steady progress and long-term development. During the commercialization and mass production of our products, shareholders have leveraged their extensive industry resources to facilitate the introduction of downstream customers. In our global market expansion, shareholders' broad international presence and global experience have provided us with robust support.

GROWTH STRATEGIES

We are committed to building on our technology-driven foundation to become the world's leading R&D and manufacturing company for advanced functional current collectors. By leveraging our dual growth engines of material supply and technical services, we aim to deliver low-cost, high-performance products and solutions, accelerate the adoption of ADCC and expand into broader applications for advanced functional current collectors. To achieve these objectives, we will pursue the following strategies:

Accelerate Production Capacity Building and Global Market Expansion to Reinforce Market Leadership

We plan to pursue a global strategy by expanding our customer base and market presence in overseas new energy materials markets, and establishing service networks in key regions such as Europe, the United States and Japan, to ensure timely responses to strategic customers and enhance our global market share and influence. To meet rapidly growing market demand and enable quick responses to customer orders, we intend to focus on strengthening our production capacity and further upgrade our production base, including significant investment in new manufacturing and production lines. These investments aim to increase production output, better satisfy customer orders and support our capacity enhancement and global expansion initiatives. In addition, we plan to upgrade and transform existing production bases with intelligent systems, introduce advanced automated production equipment and digital management systems, and improve production efficiency and product quality stability.

Strengthen Forward-Looking R&D Efforts to Develop Next-Generation Product Portfolio

Technology and innovation are at the core of our business. We will continue to increase investment in R&D for core technologies, drive technological upgrades, develop new products and maintain our industry leadership. Specifically:

- We are committed to developing next-generation ADCC to meet evolving customer needs.

- We will proactively advance compatible current collectors for solid-state batteries, dry electrodes and other emerging technologies, adhering to a diversified product development strategy.

- We will further explore interface bonding processes for composite materials such as polymer films and metal layers, enhance mechanical properties, reduce production costs and expand applications in photovoltaics, high-end electronic electromagnetic shielding and aerospace.

We will continue to collaborate with domestic and international research institutes, universities and industry partners to accelerate innovation through technology sharing and joint R&D. In addition, we actively participate in the formulation of national and industry technical standards. Notably, we have successfully initiated the group standard for composite current collectors with the Society of Automotive Engineers of China and participated in the drafting of national standards such as "Determination of Resistivity of Copper Foil for Lithium-ion Batteries—Four-Probe Method" and "Safety of Lithium-ion Batteries and Battery Packs for Electronic and Electrical Equipment—Part 1: General Requirements."

Enhance Supply Chain Management and Upgrade Manufacturing Capabilities to Improve Cost Efficiency

We plan to strengthen lean management in production and operations to further reduce costs through continual upgrades in equipment, materials and processes.

With respect to production equipment, we plan to increase R&D investment to enhance automation and intelligence, improve equipment handling capacity and shorten changeover times. Our goal is to gradually achieve full localization of key equipment to reduce costs and mitigate supply chain risks. To improve raw material utilization and reduce costs, we plan to replace copper oxide powder with lower cost copper wire or copper granules as the copper source of Cu-ADDC. In addition, we will extend the service life of core consumables, such as evaporation boats for Al-ADCC, and develop proprietary electroplating solutions. We will advance process improvements to enhance efficiency and reduce material waste, including optimizing copper formulations and refining electroplating techniques. As production capacity expands, we will deepen cooperation with high-quality upstream suppliers to ensure stable supply. For polymer substrates, we will promote joint R&D with domestic suppliers to support the development and procurement of domestically produced key materials.

Together, these initiatives will strengthen cost competitiveness, enhance operational resilience and create significant entry barriers for new market participants, reinforcing our leadership in advanced functional current collector manufacturing.

Strengthen Strategic Partnerships and Expand into New Applications and Markets

We will continue to strengthen our relationships with existing key customers by deepening collaboration through joint development, customized services and long-term supply agreements, thereby increasing our share of customer supply. At the same time, we are actively expanding into new application areas, including deepening cooperation with leading consumer electronics brands and launching differentiated products based on ADCC and FICC to meet the demand for miniaturized, high-performance battery materials in the consumer electronics market.

We are also preparing to expand into sectors such as photovoltaics, high-end electronics and aerospace, developing specialized products to address the unique performance requirements in these fields and gradually broadening our market boundary.

OUR PRODUCTS AND SOLUTIONS

We design, develop and manufacture a wide range of innovative current collectors to improve the performance, safety and sustainability of lithium-ion batteries. Our products primarily consist of (i) FICC, which feature nano-carbon coatings to improve conductivity, adhesion and electrochemical stability at the electrode interface, enabling fast charge and discharge performance, higher safety and longer battery life, and (ii) ADCC, including composite copper and aluminum foils produced with high-precision atomic deposition, which provide batteries with lighter, more robust and more flexible yet structurally durable materials, thereby enabling higher safety, higher energy density, lower cost, and reduced consumption of metals and natural resources. We also offer a range of other high-performance advanced functional current collectors, such as bipolar current collectors and dry electrode current collectors. These next-generation advanced functional current collectors serve as key components in lithium-ion batteries, offering a superior alternative to traditional current collectors by providing notable advantages in battery safety, cycle life, driving range, resource efficiency and cost reduction. Through cutting-edge research and advanced manufacturing techniques, we ensure the delivery of superior materials that contribute to the sustainability and efficiency of energy solutions worldwide. Our commitment to quality and

innovation provides customers with reliable and high-performing products that support their sustainable energy transition initiatives. In addition to our product offerings, we also provide integrated technology solutions tailored to specific application scenarios in the EV, energy storage and electronics industries. As of December 31, 2023, 2024 and 2025, we served 54, 147 and 231 customers globally.

During the Track Record Period, we primarily derived revenue from the sales of our current collector products and the provision of technology solutions. We also generated revenue from the sales of byproducts derived during the production process. The following table sets forth our revenue breakdown for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Sales of products	21,946	100.0	250,248	97.0	548,541	94.8
FICC	19,629	89.4	235,143	91.1	491,262	84.9
ADCC	572	2.6	1,796	0.7	1,849	0.3
Other products[(1)]	—	—	42	0.1	16,092	2.8
Byproducts[(2)]	1,745	8.0	13,267	5.1	39,338	6.8
Provision of technology solutions	—	—	7,735	3.0	30,085	5.2
Total	**21,946**	**100.0**	**257,983**	**100.0**	**578,626**	**100.0**

Notes:
(1) Other products primarily included bipolar current collectors and battery cells.
(2) Byproducts mainly represented offcuts and scrap materials.

The following table lists the sales volume and average selling price, net of tax ("**ASP**") of our products during the Track Record Period:

	2023		2024		2025	
	Sales Volume	ASP	Sales Volume	ASP	Sales Volume	ASP
		(RMB in thousands)		*(RMB in thousands)*		*(RMB in thousands)*
FICC (tonnes)	461.3	42.5	5,864.6	40.1	12,452.2	39.5
ADCC ('000 sq.m.)	27.4	20.9	109.9	16.3	208.2	8.9

The decrease in the ASP of our FICC products during the Track Record Period was primarily attributable to industry-wide pricing pressure and intensified competition in the functional interface current collector market. As downstream battery manufacturers and EV OEMs continued to pursue cost reductions, pricing pressure was transmitted upstream to suppliers of battery materials, including current collector suppliers. As FICC products had achieved a relatively higher level of commercialization compared with ADCC, competition in the FICC market intensified as industry participants expanded production capacity and competed for large-volume customer orders. During the Track Record Period, our FICC sales volume increased significantly. As our sales scale expanded, our order mix shifted toward a higher proportion of large-volume orders, which generally involved more competitive pricing arrangements and contributed to the decrease in ASP. In addition, the ASP of our FICC products was affected by changes in the procurement prices of certain major raw materials, including aluminum foil during the Track Record Period.

The ASP of our ADCC products fluctuated significantly during the Track Record Period because ADCC products were still undergoing customer validation and early-stage adoption. During this stage, our ADCC orders primarily consisted of sample and prototype orders and trial production arrangements, and the limited sales scale made the ASP more sensitive to changes in product mix and order mix. Accordingly, the fluctuation in ADCC ASP during the Track Record Period reflected the early-stage nature and limited scale of our ADCC sales, and was not indicative of normalized pricing trends under large-scale commercialization.

Functional Interface Current Collectors

Functional interface current collectors are advanced functional current collectors with specialized surface treatments at the interface between the collector and the active material in a battery electrode. Unlike conventional copper or aluminum foils that serve solely as passive conductors, these advanced materials incorporate functional surface layers, such as carbon coatings or oxide films, that enhance conductivity, reduce interfacial resistance and improve adhesion between electrode layers. These surface treatments are applied through nano carbon-coating technology, enabling fast charging and discharging, improved safety and longer cycle life, making them essential in high-performance lithium-ion batteries.

Our proprietary functional interface current collectors feature specialized carbon layer coatings formulated using our in-house slurry technology, which ensures stable electrochemical performance, high production yield and excellent consistency. Such carbon layer coating helps address common challenges such as conductive agent migration and gradient decay, ultimately improving overall battery efficiency and lifespan.

The table below sets forth the details of our main FICC:

Product Name	Key Features and Specification
Cu Functional Interface Current Collectors (Cu-FICC)	Cu-FICC applies a nanoscale dual-layer coating with a thickness of less than 1μm per layer to the surface of copper substrates, effectively reducing internal resistance and interfacial impedance while suppressing anode expansion and active material shedding, thereby significantly enhancing cycle performance. Specifically designed for next-generation lithium-ion battery anodes, Cu-FICC leverages proprietary slurry preparation technology to deliver both high safety and cost efficiency, ensuring stable operation in long-range, high-capacity applications.
Al Functional Interface Current Collectors (Al-FICC)	Al-FICC uses advanced slurry coating technology to form nanoscale interface layers with a thickness of less than 1μm on aluminum substrates. This effectively reduces internal resistance and interfacial impedance to improve rate performance and safety. Specifically designed for lithium-ion cathodes, this product offers cost advantages and maintains stable coating uniformity during large-scale production.

Product Name	Key Features and Specification
Interfacial Safety Current Collectors (ISCC)	ISCC is a specialized class of functional interface current collectors developed to enhance battery safety performance at the material level. Unlike conventional functional interface collectors that focus on improving electrochemical efficiency, ISCC prioritizes intrinsic safety features such as resistance to overcharging and puncture. Based on processing methods and safety mechanisms, our ISCC is categorized into water-based self-shutdown ISCC and oil-based energy-gradient ISCC. These current collectors are designed to mitigate thermal runaway risks and improve cell-level safety through proprietary coating technologies. In lithium-ion batteries, ISCC has demonstrated superior performance compared with traditional aluminum foil, including successful nail penetration tests and a 1% improvement in 500-cycle retention. ISCC is specifically engineered to address intrinsic safety at the single-cell level, particularly enhancing resistance to nail penetration and overcharging.
Sodium-ion Functional Interface Current Collectors	Our sodium-ion functional interface current collector is specifically designed for the electrode system of sodium-ion batteries. This current collector can effectively address the issue of insufficient adhesion between sodium-ion anode active materials and traditional current collectors, reduce interfacial resistance, greatly enhance cycle stability and minimize capacity fluctuations.

Atomic Deposition Current Collectors

ADCC are next-generation battery components produced by applying ultrathin, uniform metal deposition through advanced techniques. Unlike traditional solid metal foils, ADCC offer superior conductivity and mechanical strength with significantly reduced material usage. They are designed to improve battery energy density, safety and cycle life, particularly under high-power conditions. There are two main types of ADCC, copper-based current collectors for anodes and aluminum-based current collectors for cathodes.

Our Al-ADCC are designed to improve thermal and chemical resistance at high voltages, directly addressing the shortcomings of traditional aluminum foil in terms of safety and energy density, alongside sustainability concerns. Our Cu-ADCC are designed to enhance the stability and integrity of the electrode-current collector interface, minimizing degradation and ensuring consistent performance under demanding cycling conditions. Together, they enable lighter, safer and longer lasting lithium-ion and next-generation batteries. These current collectors are widely adopted across lithium-ion and sodium-ion batteries for EVs, energy storage systems and consumer electronics, and are increasingly favored in emerging fields such as solid-state batteries, robotics and low-altitude aerial systems.

The table below sets forth the details of our main ADCC:

Product Name	Key Features and Specifications
Cu Atomic Deposition Current Collectors (Cu-ADCC).	Constructed via atomic deposition on polymer substrate with a 4μm polypropylene core and dual 1μm copper layers on each side, this collector achieves tensile strength above 165MPa and elongation over 8%. With a total thickness of 6μm, areal density of 22.1±2.5 g/sq.m., adhesion strength ≥180N/m, and thermal shrinkage below 1%, it delivers enhanced flexibility and a 50% weight reduction versus traditional copper foil.
Al Atomic Deposition Current Collectors (Al-ADCC)	Engineered through atomic deposition on polymer substrates with a 6μm core and dual 1μm aluminum layers on each side, this collector achieves a tensile strength above 230MPa and elongation over 50%. With a total thickness of 8μm, areal density of 13.6±2 g/sq.m., adhesion strength ≥500N/m, and thermal shrinkage below 1%, it delivers 54% thinner profiles compared with conventional aluminum foil while maintaining conductivity and safety performance.

Bipolar Current Collectors

Bipolar current collectors are specialized components used in bipolar battery systems, which differ from conventional cell architectures by adopting a fully series-connected structure. This design shifts the current flow to the vertical axis of the collector, significantly enhancing fast charging and discharging performance. It also enables higher voltage stacking within a single cell, reducing the number of cells required per pack, improving pack efficiency, lowering system cost and increasing overall energy density.

We are among the first to commercialize and supply bipolar current collectors, according to Frost & Sullivan. Bipolar batteries address critical performance requirements in high-end battery applications and are tailored to meet the evolving needs of global automotive and energy storage manufacturers.

Dry Electrode Current Collectors

Our dry electrode current collectors are specifically designed to support the solvent-free, high-loading electrode manufacturing processes that are increasingly adopted in next-generation lithium-ion batteries. Compared with traditional wet-coating methods, dry processing offers significant environmental benefits, lower production costs and superior battery performance. In particular, dry electrode technology is highly compatible with solid-state batteries and is considered a key enabling process for their commercialization. Developed in-house, our proprietary coating technology replaces conventional polyacrylic acid systems and features low-temperature compression bonding. The coating can be as thin as 1.0μm, with a bonding temperature more than 20°C lower than conventional products. It achieves thermal compression peel strength above 25N/m, an improvement of approximately 60%, which not only enhances adhesion with active materials and reduces energy consumption in dry electrode processing but also meets the demands of high-performance cell assembly.

OUR TECHNOLOGY SOLUTIONS

Leveraging our comprehensive capabilities in material analysis, product performance evaluation and application engineering, we offer customized technology solutions to support the integration and validation of ADCC across the battery manufacturing process. These solutions are tailored to the specific needs of battery manufacturers and OEMs, addressing the technical adjustments required when replacing conventional copper and aluminum foils with next-generation substrates. Our solutions cover multiple stages of cell development and help customers accelerate internal validation and mass production timelines. Key aspects of our technology solutions include:

- *Electrode preparation and process optimization*. We deliver tailored support for coating, calendaring and tab welding process adjustments to accommodate atomic deposition materials, including the introduction of transfer welding as a new process step.

- *Transfer welding*. As an essential new process step for ADCC, we pioneered specialized transfer welding methodologies. This proprietary technology enables reliable electrical connections while maintaining structural integrity at collector interfaces.

- *Cell prototyping and performance testing*. We offer end-to-end assistance in cell prototyping and performance testing, enabling customers to rapidly evaluate ADCC and significantly reduce standard operating procedures by up to 60% compared with customer-developed implementations.

- *Custom engineering and integration support*. We deliver fully customizable engineering and integration solutions based on customer requirements, ensuring smooth adoption into existing production lines and supporting internal qualification for large-scale deployment.

Pipeline Products

We have outlined a comprehensive development plan for future products to continually update our products and solutions and meet the evolving market demand from our customers. The following table sets forth our pipeline products as of the Latest Practicable Date:

Product	Product Description	Launch Time	Expected Time for Revenue Generation[1]	Expected Time for Mass Production[1]
Photovoltaic functional composite current collectors	This product is being developed for photovoltaic applications, adopting a copper-aluminum composite current collector structure with integrated backsheet encapsulation to replace the traditional back-side solder ribbon structure used in back-contact solar cells. It is intended for distributed photovoltaic modules and commercial and industrial rooftop photovoltaic modules. The product is designed to provide strong electrical conductivity, thermal conductivity and weather resistance, reduce line losses, improve power generation efficiency and enhance operational stability, while simplifying module structure and production processes	2025	2026	2026
Integrated Cathode Electrode Sheet . .	The integrated combination of active cathode material with traditional aluminum foil or atomic-deposited aluminum current collector	2025	2026	2028
Integrated Anode Electrode Sheet . .	An anode electrode sheet integrating active anode material with traditional copper foil or atomic-deposited copper current collector	2026	2026	2028
Prelithiated Current Collector	A current collector in which lithium metal or lithium alloy is pre-composited onto the surface of traditional copper foil or atomic-deposited copper current collector	2025	2027	2028
Solid-State Battery Current Collector .	A current collector with specialized surface metal coating designed for use in solid-state batteries	2026	2028	2029

Note:
(1) subject to customer validation, technical progress, market demand and production readiness.

R&D

We are committed to R&D and innovation, aiming to advance in both fundamental and product-specific technologies that improve the performance, reliability, durability and customer experience of our current collector products. In 2023, 2024 and 2025, our R&D expenses were RMB66.2 million, RMB93.6 million and RMB146.6 million, representing 301.8%, 36.3% and 25.3% of our total revenue for the same years, respectively. Our endeavors in R&D resulted in significant technological achievements, evidenced by our extensive intellectual property portfolio and industry expertise. See "— Intellectual Property."

We have not in-licensed any material intellectual property rights or outsourced any R&D processes to third parties. In addition, except for certain R&D projects with universities and research institutions, we generally do not undertake any R&D projects in collaboration with third parties with respect to our products. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any legal claims or proceedings that may have an influence on the R&D of our products.

R&D Team and Institutions

As of December 31, 2025, our R&D team comprised 183 dedicated employees, including distinguished graduates from premier domestic and overseas universities, specializing in various disciplines including materials science and chemical engineering. Supported by three dedicated research institutes, we have established comprehensive internal talent cultivation mechanisms, including a dual-track advancement system for technical and managerial roles, with tiered progression pathways supported by integrated learning programs combining internal technical workshops, leadership seminars and externally accredited certification courses. Our organizational culture and talent development mechanisms support our ability to attract and retain qualified R&D personnel. Our R&D team possesses extensive experience in electrochemistry, materials science, mechanical engineering and battery manufacturing processes. The team also demonstrates robust capabilities in the commercialization of our products, enabling us to swiftly address technical issues.

We have established three R&D institutions, which are responsible for our cutting-edge technology research and product development, with their core capabilities as summarized below:

- *Advanced Technology Research Institute.* Dr. PENG leads the Advanced Technology Research Institute, specializing in composite product innovation, integrating cross-domain technologies for performance breakthroughs. The institute operates a multidisciplinary R&D system covering new material integration, structural optimization and system solution development.

- *Materials Technology Research Institute.* Dr. XIA heads the Materials Technology Research Institute driving material introduction technology innovation and strategic raw material management. The institute focuses on battery material application research, developing functional materials through industry-academia collaboration.

- *Applied Technology Research Institute.* Dr. XIA heads the Applied Technology Research Institute specializing in functional coating formulation development.

Our R&D team integrates experts in electrochemistry, vacuum PVD, battery systems and polymer materials. Core technical members possess a decade of industrial experience, forming a complete talent ecosystem spanning fundamental research, engineering development and industrial transformation. Our R&D team is led by six core members. The following table sets forth the details of the principal members of our R&D team.

Name	Profiles
Dr. LI Xuefa (李學法)	Dr. LI, our co-founder, chairman and CTO, brings over 20 years of experience in pioneering research and industrial leadership across advanced materials and energy technologies. As head of our R&D team, Dr. LI oversees our innovation strategy, product development roadmap and technical partnerships, driving the commercialization of next-generation battery materials and manufacturing solutions. Dr. LI holds a Ph.D. in Materials Science from Cornell University, dual master's degrees in Materials Science and Engineering from Cornell University and Business Administration from the University of North Carolina, and a bachelor's degree in Polymer Materials from Tongji University. He also earned a master's degree in Polymer Chemistry from the Chinese Academy of Sciences. His previous roles include Postdoctoral Researcher and Assistant Scientist at Argonne National Laboratory, R&D Director at Celgard Corporation, and Chief Scientist and Founder of Jiangsu Horizon New Energy. Dr. LI has received numerous accolades, including the National Major Talent Award, National Foreign Expert Talent designation, Jiangsu Hundred-Talent Expert, Changzhou Leading Innovative Talent, and Director of the Jiangsu Provincial Foreign Expert Studio.
Dr. XIA Jianzhong (夏建中)	Dr. XIA serves as the head of both the Materials Technology Research Institute and Applied Technology Research Institute, where he leads our R&D efforts in material innovation and strategic raw material management. He is responsible for driving the introduction of advanced materials, overseeing battery material application research, and fostering industry-academia collaboration to accelerate the development of functional materials. Dr. XIA holds a Ph.D. in Chemical Engineering from the National University of Singapore and a bachelor's degree in chemistry from Peking University. He completed postdoctoral research at both the National University of Singapore and the University of Texas in Austin, focusing on advanced material systems. With over a decade of combined academic and industrial experience, Dr. XIA previously served as Deputy Director at Beijing Origin Water Technology and advanced materials research as Associate Researcher at Shenzhen University. He has received numerous honors, including Shenzhen Local Leading Talent, Beijing Model Worker, Beijing Science & Technology Rising Star, First Prize of the Science & Technology Progress Award and China Excellent Patent Award.

Name	Profiles
Dr. PENG Jia (彭佳)	Dr. PENG Jia serves as the head of our Advanced Technology Research Institute, where he leads the company's efforts in composite product innovation and cross-domain technology integration. He is responsible for driving performance breakthroughs through multidisciplinary R&D, focusing on new material integration, structural optimization and system-level solution development. Dr. Peng holds a Ph.D. in Inorganic Chemistry from the University of Chinese Academy of Sciences. He specializes in composite current collector systems and possesses deep expertise in full-cycle industrialization, covering R&D, process optimization, specification development and equipment selection. Dr. PENG holds the professional certification of Senior Cell Manufacturing Engineer, reflecting his technical leadership and contributions to next-generation battery technologies.
Mr. ZHANG Hanlin (張翰林)	Mr. ZHANG Hanlin, our Director of Carbon Coating Production, holds a bachelor's degree in Electronic Engineering from Hubei University. With over 20 years of industry experience, he held positions in semiconductor equipment management at Vishay. He currently leads our carbon coating production operations, overseeing advanced material manufacturing systems.
Mr. JIA Bin (賈斌)	Mr. JIA Bin, our Senior Manager of Equipment Development, holds a bachelor's degree in Mechanical Design, Manufacturing and Automation from Nanhua University. With over 20 years of engineering experience, he previously held key roles at Jiangyin Zhongda Soft Plastic New Materials. He currently leads the development of advanced equipment systems in our Company.
Mr. ZHOU Liang (周亮)	Mr. ZHOU Liang, our Senior R&D Manager, holds a bachelor's degree in Chemical Engineering from Dalian University of Technology. With 16 years of experience in process engineering, he has held leadership roles at OPPO and Kangdexin Composite Materials. He currently focuses on next-generation material innovation at our Company.

We maintain the stability of key management and technical teams through a diversified compensation incentive system and comprehensive welfare protection mechanisms. Furthermore, we have developed a structured talent program, regularly providing professional training, while supporting our R&D personnel in participating in industry summits to stay at the forefront of technological advancement. Our key R&D personnel for our core business line remained stable during the Track Record Period. We also recruit candidates with relevant knowledge and skills through online recruitment, internal referrals and employment agencies, among others, to timely replenish our talent pools and avoid the negative impact that could be caused by the departure of key staff. The salient terms of agreements with management and technical staff are set forth below:

- *Intellectual Property*. Any work product created by employees during their employment using company resources or information shall belong to the company. Employees must not use or dispose of such intellectual property without authorization, nor infringe third-party rights. Pre-existing intellectual property must be truthfully declared and the company granted necessary usage rights.

- *Confidentiality*. Employees must strictly maintain the confidentiality of all company trade secrets and related information and may only use such information as required for their duties. This obligation continues after termination of employment, and employees must not disclose, use, or profit from such information.

- *Non-Compete*. During employment and for the duration of any post-employment non-compete period, employees must not, without the company's written consent, engage in any business or position that competes with the company, solicit company employees, or interfere with company business.

- *Legal Liability*. If employees breach obligations relating to intellectual property, confidentiality, or non-compete, the company has the right to require immediate rectification and to claim damages. If negotiation fails, the matter may be submitted to the labor dispute arbitration committee at the company's location.

Collaboration with Research Institutions

Leveraging our cross-industry innovation capabilities, we collaborate with leading universities, research institutions and industrial partners to advance specialized research in polymer materials, metallic substrates, vacuum equipment and electroplating technologies. These partnerships enable us to stay ahead of industry trends, understand evolving market needs and accelerate the adoption of emerging technologies.

During the Track Record Period, our strategic R&D partnerships included: (i) collaborative research projects with Tsinghua University on the safety mechanisms of Al-Cu composite current collectors and on PTC-coated nano-carbon current collectors incorporating temperature-sensitive fillers, as well as concluded research projects with Nanjing University of Science and Technology on the microstructure and mechanical properties of composite current collectors and with Tianjin Polytechnic University on the differentiated structural design and performance of ultra-thin composite current collectors; (ii) technical service contracts with internationally renowned automotive manufacturers relating to aluminum composite current collectors and high-safety, high-energy-density prismatic batteries; and (iii) joint R&D programs with Yangzhou Boheng on polymer substrate surface modification technology and interfacial layer design for composite current collectors. These collaborations granted us access to frontier academic resources, facilitated interdisciplinary integration and supported the translation of theoretical research into industrial applications. Notably, our partnership with Tsinghua University has led to breakthroughs in safety mechanism research for aluminum-based ADCC, resulting in two peer-reviewed publications in SCI-indexed journals and contributions to one industry standard, with additional standard-setting initiatives underway.

The following sets forth a summary of key terms of our collaboration agreements with strategic R&D partners.

- *Scope of services.* The collaboration supports us in matters such as the analysis of the actual mechanical properties of composite current collectors, the analysis of the low- and high-temperature mechanical properties of composite current collectors and their

base films (PP base film, BOPET base film), and the analysis of the microscopic mechanical properties at the vertical stripes on the surface of composite current collector films and the anisotropy of their base films.

We are also working together with our collaborators in research on cell design and safety performance, including comparing the physicochemical properties and microstructure of composite current collectors with conventional current collectors to verify differences in battery design; studying the key process steps in cell manufacturing based on composite current collectors to determine relevant process parameters; and guiding the material development of composite current collectors through research on the electrochemical performance and safety characteristics of batteries based on composite current collectors.

- *Payment.* We typically make an initial payment within a specified timeframe upon the execution of the agreement and make subsequent payments contingent upon achieving specific project milestones. We generally reconcile all payments against the deliverables provided at the conclusion of the project.

- *Intellectual property.* All results, reports, publications, and related rights and interests, including all intellectual property rights in connection with the performance of the agreements, are owned by us.

- *Confidentiality.* The collaborators are obligated to keep all non-public information and data confidential.

Key R&D Programs

We have continually invested in R&D projects since our inception to advance our technologies. We plan to continue to advance in new materials in the near future. The below sets forth our key R&D programs.

ADCC Technology

- *Structural optimization for extreme conditions.* Focus on enhancing the riveting process between polymer films and ultrathin (1μm) metal layers through crystal structure redesign. This approach is designed to enhance the structural stability of batteries under severe mechanical abuse scenarios, such as high-intensity impact and puncture, ensuring battery safety under extreme stress.

- *Cost reduction initiatives.* Research targets production process optimization to reduce manufacturing costs while maintaining performance, addressing market demand for high-performance, cost-competitive materials. Specific methods include (i) improving material efficiency through film cost reduction, utilization improvements, and recycling systems for both copper and aluminum deposition; (ii) process innovation through electroplating optimization for copper and advanced evaporation systems for aluminum; (iii) equipment scaling through increased production speeds and widths across all deposition technologies; (iv) energy conservation through optimized dissolution systems and vacuum efficiency; and (v) capital efficiency through equipment cost reductions that lower unit depreciation.

Dry Electrode Process Integration

- *Material formulation optimization.* Conduct in-depth customization of material compositions tailored to specific customer requirements and battery application scenarios. Research focuses on enhancing interfacial compatibility between ADCC and dry-process electrodes to improve overall battery performance metrics.

- *Production equipment co-development.* Collaborate with equipment suppliers to design and validate specialized machinery for integrated dry electrode process. Key objectives include increasing production throughput while ensuring product consistency, and targeting industrialization readiness to challenge existing industry benchmarks.

Interface Safety Technology

- *PTC coating performance enhancement.* Optimize positive temperature coefficient coatings to achieve rapid current interruption under extreme temperatures through thermo-responsive materials that induce sharp resistance increases at elevated temperatures, halting electrochemical reactions. This mechanism significantly enhances cell safety performance.

- *Buffer layer material innovation.* Explore novel materials and multilayer structural designs for buffer coatings to enhance energy absorption efficiency during overcharge and thermal runaway scenarios.

Bipolar Current Collector Development

- *Technical readiness and market potential.* While the product remains at the R&D institute pending customer validation, its development milestone demonstrates near-finalized design maturity. Successful validation and mass production would address growing market demands for high-performance battery materials, particularly in bipolar battery-based EVs and eVTOLs, which require high rate and energy density. Adoption by leading automotive OEMs could enable commercial deployment as early as 2027, positioning us to capture substantial market share and enhance brand leadership in advanced battery materials.

Prelithiated Current Collector

- *Validation-driven product finalization.* Focus on achieving uniform deposition of 2–5μm metallic lithium onto the current collector surface. This is accomplished via physical vapor deposition processes, including magnetron sputtering and evaporation. Applicable substrates include, but are not limited to, pure copper foil, Cu-ADCC, copper side of bipolar current collectors, or functional interface collectors coated with a three-dimensional conductive lithium-storing network. The program is currently advancing through material selection and prototype sampling stages, awaiting validation with industry-leading battery producers. Post-validation steps include standard operating procedure finalization and production handover.

- *Technical readiness and market potential.* While the product remains at the R&D institute pending customer validation, its development milestone demonstrates nearing design maturity. Successful validation and mass production would address growing market demands for high-performance battery materials, particularly within the solid-state battery segment. Adoption by leading automotive OEMs and battery

producers could enable deployment within mass-produced solid-state batteries, positioning us to potentially capture significant market share and strengthen our brand equity in advanced battery materials.

Solid-state Battery Current Collector

- *Validation-driven product finalization.* Focus on achieving uniform deposition of 0.2–3μm metal layers, such as nickel, zinc and titanium, onto the current collector surface. This is accomplished via electroplating and physical vapor deposition processes, including magnetron sputtering and evaporation. Applicable substrates include, but are not limited to, pure copper foil, Cu-ADCC and the copper side of bipolar current collectors, enabling compatibility between the current collector and the sulfide solid-state electrolyte system. This specialized metal-coated collector program is currently advancing through material selection and prototype sampling stages, awaiting validation with industry leading battery producers. Post-validation steps include standard operating procedure finalization and production handover.

- *Technical readiness and market potential.* While the product remains at the R&D institute pending customer validation, its development milestone demonstrates that it is nearing design maturity. Successful validation and mass production would address growing market demands for high-performance battery materials, particularly within the solid-state battery segment. Adoption by leading battery manufacturers could enable deployment within mass-produced solid-state batteries, positioning us to potentially capture significant market share and strengthen our brand in advanced battery materials.

R&D Framework and Product Development

Our R&D process comprises the following key stages:

- *Project Initiation*. We initiate each project directly based on customers' requests to ensure alignment with market demands. We employ a well-defined project establishment mechanism involving cross-departmental collaboration between Finance, Marketing, R&D and Production teams to ensure the project's sustainability and profitability.

- *Project Planning*. At this stage, we implement structured resource allocation and scheduling strategies. We introduce advanced project management tools and adopt agile development methodologies to enable efficient project execution. This includes forming dedicated project teams, confirming development milestones and establishing accountability frameworks to maintain transparency throughout the project development process.

- *Product Development*. During this phase, we utilize our cross-industry technology platforms, including polymer membranes, metal processing, electroplating technology and vacuum systems, to address both innovative requirements and customer-specific customization needs. We implement modular design methodologies to accelerate development cycles while maintaining flexibility for tailored solutions. Our engineering team executes comprehensive modular functionality design, significantly compressing equipment deployment timelines and enhancing production efficiency.

- *Product Validation*. After completing product development, we move into the product validation stage, wherein we conduct multiple tests, including functionality, performance and security testing, to confirm that the product meets established standards and customer expectations.

- *Product Release*. We perform a final verification of all implementations and prepare complete documentation packages, including user manuals and technical specifications. Post-launch, we maintain active performance monitoring and provide full customer support services to ensure sustained quality throughout the product life cycle.

Throughout the entire product development process, we foster strong partnerships with our customers. When a customer identifies new market opportunities or needs, they collaborate with our team to define the product's specifications and intended performance. Through our integrated approach combining defined project initiation, cross-functional collaboration, technology platform utilization and customer feedback integration, we ensure a rapid response to development needs. This partnership then extends from the R&D phase to product verification and product release. Such close-knit collaboration ensures that our product development aligns seamlessly with the customers' needs, facilitating swift product upgrades and iterations to meet the customers' requirements. After the completion of product development, we continually upgrade our products and refine our designs based on customer feedback during product development and after product launch.

OUR TECHNOLOGIES

We leverage our early accumulation and achievements in current collector technologies to build a coherent technology stack. Our technologies include (i) functional coating technology, (ii) raw material improvement, (iii) advanced process optimization, and (iv) advanced equipment and on-site process development, all purpose-built to enable high-performance functional interface and ADCC. Anchored by proprietary know-how across deposition, materials and production systems, we are committed to independent R&D and have established a comprehensive framework to protect our intellectual property. See "— Intellectual Property."

Functional Coating Technology

Our functional coating technology utilizes surface modification for high-performance polymer films as substrates for ADCC. The technology focuses on optimizing interface treatment between polymer films and metal layers to enhance mechanical properties and interfacial integrity.

Raw Material Improvement

We conduct raw material development for high-performance inputs to improve product quality. This is complemented by process optimization to enhance production efficiency and output quality. Further, we explore material applications across diverse current collectors to elevate overall performance.

Advanced Process Optimization

We implement modular design methodologies to shorten equipment commissioning cycles and increase production efficiency. Rapid iteration protocols enable timely product design refinements for quality enhancement. Production workflows are systematically optimized to maximize efficiency and output standards.

Advanced Equipment and On-site Process Development

- *Advanced magnetron sputtering technologies.* Our magnetron sputtering system integrates proprietary bias adsorption technology to ensure uniform contact between the substrate film and the roller during deposition. We incorporate a full-range closed-loop tension control system for precise tension management at every stage of production.

Precision magnetic field orientation control enables accurate target positioning and works in concert with a closed, unbalanced magnetic field to optimize plasma processing. Process control is further enhanced by multi-channel gas flow control and multi-zone target temperature control systems. Prior to deposition, the substrate film undergoes surface optimization through ion source bombardment pre-treatment technology.

- *Advanced evaporation technologies.* Our process incorporates precision evaporation control to maintain uniform metal vapor flow and coating quality. Closed-loop aluminum wire feeding control maintains a constant deposition rate, maximizing material deposition efficiency. Bias adsorption devices ensure substrate stability and drum conformity during high-speed coating, while dedicated dust removal rollers automatically clean particulate contaminants from the film surface in-line. Coating uniformity is maintained in real time through square resistance eddy-current detection with closed-loop wire feeding, and directional metal vapor deposition technology precisely guides the metal vapor flow.

- *Advanced electrochemical deposition technologies.* We use a customized anode distribution structure specifically designed to improve coating uniformity across the entire substrate width. Process stability is maintained by closed-loop control technology that synchronizes current density with web speed, allowing for dynamic parameter adjustments. Our high-efficiency copper dissolution system, combined with chemical solution anti-carryover control, ensures continuous electrolyte replenishment and minimizes material loss. High-rate solution circulation and concentration homogeneity control technology maintain the stability of the plating solution. For web handling, we employ optimized high and low roller wrap angles and roller system control with tapered tension technology, ensuring stable web movement throughout all processing stages.

Product-Specific Technologies

Building on our advanced foundational technologies, we focus on the development of bipolar current collectors. Leveraging magnetron sputtering know-how and interfacial alloy transition-layer design accumulated through Cu-ADCC research, we form dense multi-interface transition layers on aluminum foil substrates and overlay ultrafine microcrystalline copper deposition layers. Through unilateral electroplating, we achieve near-zero-defect Cu-Al interfaces with exceptional electrolyte corrosion resistance. By changing the direction of current conduction inside the cell to the vertical (through-stack) direction, bipolar current collectors convert the internal electrode configuration from fully parallel to fully series within a single cell, enabling high-voltage stacking in one cell, reducing housing and wiring requirements and significantly improving pack-level energy density.

INTELLECTUAL PROPERTY

Our success and competitive advantages depend in part on our ability to develop and protect our core technologies and intellectual property. We own a large portfolio of intellectual property, including patents, registered trademarks, confidential technical information and expertise in the development of current collectors. As of the Latest Practicable Date, we had 444 patents granted globally, comprising 112 invention patents, 328 utility model patents and four design patents, as well as 1,124 patents under application worldwide, covering key areas such as polymer substrate improvement, structural innovations to enhance battery safety, current collector designs based on atomic deposition, advancements in electroplating solution processes and equipment design and optimization, electrode component design, nano-carbon coating formulations, processes and technologies, and collaborative research projects with universities on battery safety mechanisms.

The table below sets forth the key intellectual property rights corresponding to the core technologies applied in our products:

Products	Core Technology	Patent Number	Patent Title	Functional Application Scenario
ADCC	Aluminum Plated Polymer Current collector	202210441005.2	Composite current collector, its preparation method, electrode sheet and secondary battery	Used for battery cathodes
ADCC	Copper Plated Polymer Current collector	202111510908.3	Copper plating bath additives, copper plating solution, copper-plated film and its preparation method, anode current collector and lithium-ion battery	Used for battery anodes
FICC	Functional Interface Coating Cu current collector	202411083446.5	A high-strength, high-elongation conductive adhesive and its preparation method	Reduces interfacial resistance, improves fast charging/discharging and cycling performance
FICC	Functional Interface Coating Al current collector	202311031831.0	A color-controllable carbon-coated current collector, its preparation method and applications	Reduces interfacial resistance, improves fast charging/discharging and cycling performance
Interface Treatment Technology	Polymer Film Modification	202211363648.6	Modified polyester film, preparation method thereof, composite current collector, electrode sheet and uses thereof	Modifies surface for ADCC substrates
Interface Treatment Technology	Interface Treatment	202211084797.9	Composite polyester film, preparation method thereof and uses thereof	Enhances mechanical properties and interface integrity
Raw Material Improvement	Raw Material Development	202211041324.0	Swelling-resistant polyester composite film, its preparation method and applications	Enhances product quality
Process Optimization	Modular Design	202210177516.8	Conductive device for coating and coating machine	Enhances product quality
Process Optimization	Rapid Iteration	202210827592.9	Aluminum composite current collector and its preparation method, cathode sheet, battery and electrical device	Optimizes product design and improves quality
BICC	Interface Treatment	202411697289.7	A bipolar current collector, its preparation method, battery and applications	Improves product quality

We protect our intellectual property rights through a combination of patents, copyrights, trademarks, trade secret protection and confidentiality agreements with customers, suppliers and employees. We have adopted comprehensive internal rules for intellectual property management, which set out employee obligations and establish a reporting mechanism for IP protection. To safeguard our proprietary technology and processes, we enter into confidentiality and non-competition agreements with management, key R&D personnel and other employees who have access to trade secrets or confidential information. Our standard employment contracts include assignment clauses, under which we own all rights to inventions, technology, know-how and trade secrets developed during employment. We also enter into confidentiality agreements with consultants, advisers and contractors.

During the Track Record Period and up to the Latest Practicable Date, we were not involved in any material legal, arbitral or administrative proceedings or claims of infringement of any intellectual property rights in which we may be a claimant or a respondent. Our Directors confirm that they are not aware of any legal, arbitral or administrative proceedings of infringement of any third parties' intellectual property rights by us during the Track Record Period and up to the Latest Practicable Date. For details, see "Appendix IV — Statutory and General Information — Further Information about Our Business — Intellectual Property Rights."

From time to time, third parties may initiate litigation against us alleging infringement of their proprietary rights or declaring their non-infringement of our intellectual property rights. For risks related to intellectual property rights, see "Risk Factors — Risks Relating to Our Intellectual Property Rights."

PRODUCTION

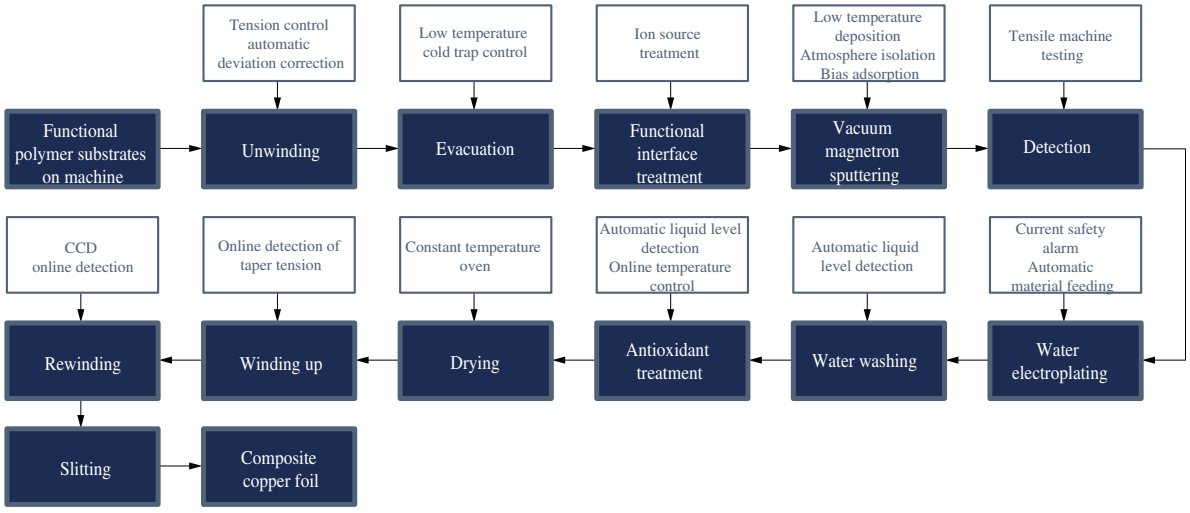
Our production process is designed to promote high standards of quality while simultaneously providing the agility to expedite production to meet customers' demands in a timely manner. Our design and manufacturing capabilities also facilitate the introduction of advanced functional current collector products into the markets.

Production Process

We continue to improve our production processes to enhance our efficiency and production management and to accelerate the automation and digitalization of our production lines. The length of production cycle is typically calculated from the start of production to the storage of the finished products, based on a batch of products specified in a purchase order. The duration of production varies by product model and the production quantity.

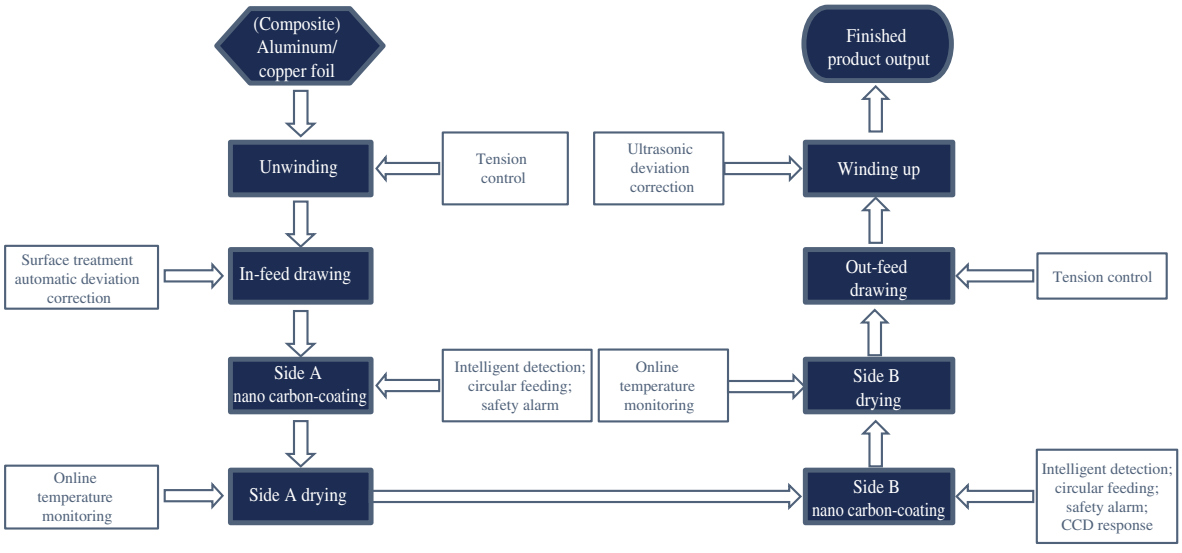
The diagrams below illustrate the key steps of the production process of our Cu-ADCC, Al-ADCC and FICC.

Cu-ADCC Manufacturing Process



Al-ADCC Manufacturing Process

Coating Process For FICC



Production Equipment and Machinery

Our advanced manufacturing facilities are essential for enhancing product quality and improving cost competitiveness. Many of our machines and much of our equipment are highly automated, with limited human operations only in the loading and unloading stages, which allows us to enhance manufacturing efficiency and reduce labor costs. We design, customize and integrate a variety of advanced techniques into our production processes.

Set forth below are details of the key machinery and equipment applied in our production processes.

- *Cu-ADCC.* Our industry-leading production line integrates world-class magnetron sputtering systems with advanced electrochemical deposition units. The sputtering equipment adopts proprietary bias adsorption technology to achieve high-precision metal layer formation, while our custom-designed electroplating systems deliver exceptional uniformity across ultra-wide substrates. The fully automated system streamlines material handling throughout the entire deposition process, and comprehensive quality control systems ensure defect-minimized output for premium battery applications.

- *Al-ADCC.* Our production line adopts advanced evaporation deposition technology and is equipped with an advanced vapor guidance system that enables closed-loop process control. The equipment's innovative drum-mounted design achieves unparalleled deposition efficiency, while the automated wire feeding mechanism ensures consistent metal layer structure. This fully integrated system supports single-pass manufacturing of high-performance Al-ADCC, significantly enhancing scalability for next-generation composite aluminum solutions.

- *FICC.* Our specialized aqueous coating line employs precision tension control systems with multi-stage process monitoring. The system pre-treats the current collector surface before coating to improve adhesion, continuously monitors coating thickness during production and identifies surface defects through automated inspection. This comprehensive approach delivers uniform functional carbon layers essential for high-stability battery interfaces.

- *ISCC.* Engineered for safety-critical applications, our solvent-based coating system features explosion-proof construction with full-path hazard monitoring. Advanced tension isolation technology prevents substrate deformation, while integrated thermal imaging and AI-powered visual inspection guarantee coating integrity. The equipment's automatic emergency response systems establish new benchmarks for safe production of advanced battery safety components.

Production Bases

During the Track Record Period, we operated two production bases in Jiangsu Province, China. The table below sets forth information regarding our production bases as of December 31, 2025:

Production Bases	Location	Gross Floor Area	Primary Products
Nanopore innovative materials Jiangyin base . . .	No. 26 Huabin Road, Huangtu Town, Jiangyin City, Jiangsu Province, the PRC	34,799 sq.m.	FICC, Al-ADCC
Nanopore innovative materials Jiangdu base . . .	No. 168–170 Pujiang East Road, Xiannv Town, Jiangdu District, Yangzhou City, Jiangsu Province, the PRC	43,826 sq.m.	FICC, Cu-ADCC

Our production capabilities are designed to align with our customers' demands, ensuring a consistent and reliable supply of products.

Production Capacity and Utilization Rates

Set forth below are the details of the production capacity and utilization rates for our major product lines for the years indicated:

	Year ended December 31,								
	2023			2024			2025		
Product Categories	Production capacity	Production volume	Utilization rate	Production capacity	Production volume	Utilization rate	Production capacity	Production volume	Utilization rate
			(%)			(%)			(%)
FICC (tonne)	1,455.9	561.0	38.5	14,642.1	7,260.8	49.6	23,651.2	13,591.6	57.5
ADCC (10,000 sq.m.)	101.7	6.7	6.6	276.9	11.0	4.0	6,291.8	29.1	0.5

Notes:

(1) The production capacity of the year is calculated based on the following assumptions: (i) the production base operates 24 hours per day; (ii) the production base operates 26 days in a month; and (iii) we maintain an overall equipment efficiency of 80% for our FICC production lines, where equipment efficiency is defined as the product of equipment utilization rate and output efficiency. In accordance with market demand, we typically accommodate potential surges in purchase orders and expand production capacity in advance to ensure the satisfaction of the needs of new customers, the launch of new products and the increased demand overall.

(2) The production volume refers to actual output for the relevant year.

(3) The utilization rate during the year is calculated by dividing the production volume by the production capacity for the same year.

For FICC, our utilization rate remained below optimal levels in 2023, 2024 and the seven months ended July 31, 2025, primarily because we expanded production capacity ahead of the full ramp-up of customer orders and production volume. In addition, FICC products are developed and produced based on customer-specific requirements, and new customer onboarding and new project introduction typically involve technical validation, quality inspection, formulation adjustment, trial production and production scheduling coordination. From August 2025 to the Latest Practicable Date, our FICC production lines have been running at near full capacity. During the normal course of our FICC production, certain operational factors also inevitably reduced effective utilization, including undersized metal foil specified in customer orders, which led to unutilized bandwidth on operating production lines, edge cutting and downtime for foil replacement and slurry tank cleaning. Although we operated our FICC production lines on a 24-hour basis as of the Latest Practicable Date and implemented measures to mitigate such capacity loss, including optimizing customer order arrangements, these factors could not be entirely eliminated.

For ADCC, our utilization rate remained low primarily because ADCC was still at an early stage of commercialization and customer adoption during the Track Record Period, while we expanded production capacity ahead of large-scale revenue contribution. ADCC products are next-generation composite current collectors designed to replace traditional copper and aluminum foils and require more extensive customer validation, battery cell testing, production process adjustment and mass production qualification before large-scale adoption. In addition, sufficient production capacity and mass production readiness are important factors considered by downstream battery manufacturers and OEMs when selecting qualified suppliers for advanced materials. We therefore invested in ADCC production capacity in advance to support customer validation and future commercialization opportunities.

During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material disruptions to our production activities.

Production Expansion Plan

We plan to further develop and increase our production capacity by leasing the second phase of Nanopore innovative materials Jiangdu base upon completion of construction. We have entered into certain investment and cooperation agreements with the local government of Jiangdu District, Yangzhou City. Pursuant to these agreements, and subject to the satisfaction of certain conditions, including equipment delivery and commissioning milestones, we will have access to the completed facility, comprising approximately 400,000 sq.m. of plant space. The second phase expansion represents a major upgrade of our Nanopore innovative materials Jiangdu base, and is planned to be implemented in three stages between 2025 and 2027. Each phase will involve the construction and commissioning of additional production lines for copper, aluminum and nano carbon-coated current collectors. This expansion is expected to significantly enhance our production capacity, operational flexibility and ability to respond to market demand, thereby supporting our long-term growth strategy.

Maintenance

We conduct thorough and timely maintenance of production equipment and machinery. We conduct regular service and maintenance for our major production equipment and power machinery according to pre-defined schedules. We have established and continually updated internal procedures tailored to the unique characteristics and requirements of each piece of production equipment and power machinery. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material or prolonged suspensions of operations due to equipment, machinery or other mechanical failures.

Logistics and Delivery

We have established a comprehensive logistics and delivery system to ensure that our products are delivered to customers timely. We have engaged independent third-party logistics service providers for both domestic and international transportation and delivery of our products. Our logistics service providers are selected through competitive tender processes, based on their qualifications and pricing for specific routes.

We are responsible for the transportation of our products to customers. Our logistics service providers employ various transportation methods to ensure efficient delivery, tailored to the specific requirements and locations of our customers. In particular, our products must be protected from rain during transit, and must be handled in accordance with the directional arrows indicated on the packaging crates. The crates must remain intact to prevent any product damage. We regularly assess our logistics service providers based on a range of factors, including service quality, delivery efficiency, compliance with our handling requirements and cost-effectiveness.

During the Track Record Period and up to the Latest Practicable Date, to the best knowledge of our Directors, we had not experienced any material disruptions or losses in connection with the transportation and delivery of our products.

SALES AND MARKETING

During the Track Record Period, our products were sold in Chinese Mainland and other selected markets in Asia, Europe and Americas. In 2023, 2024 and 2025, our revenue from overseas sales was RMB0.3 million, RMB9.3 million and RMB119.3 million, accounting for 1.5%, 3.6% and 20.6% of our total revenue, during the same years, respectively. As of the Latest Practicable Date, our sales overseas were not subject to any specific licensing requirements or regulatory approvals. We have an experienced and highly trained sales and marketing team,

consisting of 44 personnel as of December 31, 2025, who proactively identify market opportunities and design sales strategies. During the Track Record Period, our products were sold solely through direct sales.

Marketing

We adopt an integrated marketing approach that combines offline engagement and digital outreach to strengthen brand recognition and accelerate commercialization. We conduct proactive market outreach through industry exhibitions and innovation competitions to demonstrate our technological capabilities, including live showcases of core products. By engaging directly with potential customers at events, including domestic and international exhibitions such as China International Battery Fair, we gather real-time feedback and analyze evolving market demands to refine our commercialization strategies.

We complement offline efforts with targeted digital campaigns, leveraging industry portals, social media platforms and technical publications to disseminate technology breakthroughs. Through our official WeChat account, joint releases with customers and coordinated releases with government media outlets, we promote R&D milestones, product certifications and financing progress, reinforcing our leadership in technology innovation.

Our integrated marketing strategy is underpinned by a multi-channel approach that combines direct partnerships with battery manufacturers and automotive OEMs with broader outreach through exhibitions and technical symposiums. To ensure consistent execution across all touchpoints, we invest in sales team training to strengthen technical expertise and service capabilities throughout pre-sales, transaction and post-sales stages.

Pricing Policy

We price our products based on factors including production costs, market demand, technological advantages and competitor pricing. For products with cutting-edge technologies and superior performance, we apply value-based pricing to reflect their premium positioning. For products in highly competitive market segments, we maintain price competitiveness through cost optimization and economies of scale. We implement differentiated pricing strategies tailored to customer segments, including volume-based discounts for major customers and flexible pricing arrangements for new customers.

OUR CUSTOMERS

Our customer base encompasses top-tier battery manufacturers, globally renowned automotive OEMs, leading consumer electronics brands and specialized innovators developing next-generation battery systems. We intend to further strengthen existing customer relationships and pursue new relationships to expand our customer base. During the Track Record Period and up to the Latest Practicable Date, we did not have any disputes or any termination of our contractual relationships with our major customers.

Major Customers

During the Track Record Period, our major customers were primarily located in China, South Korea and Europe. In 2023, 2024 and 2025, revenue from the five largest customers in each year during the Track Record Period was RMB18.7 million, RMB199.2 million and RMB417.6 million, respectively, accounting for 85.1%, 77.2% and 72.1% of our total revenue, respectively. Revenue from the single largest customer in each year during the Track Record Period was RMB7.9 million, RMB128.3 million and RMB155.0 million, accounting for 36.0%, 49.7% and 26.8% of our total revenue, respectively.

The tables below set forth information about our five largest customers for each year during the Track Record Period:

				Year ended December 31, 2023				
No.	Customers	Background	Products sold by us	Revenue	% of our total revenue	Payment Method	Credit terms	Year of commencement of business relationship with us
				(RMB in thousands)			*(days)*	
1.	Customer A	A PRC company listed on the Hong Kong Stock Exchange that develops and manufactures advanced lithium-ion battery energy solutions	ADCC, FICC	7,899	36.0	Bank acceptance bill	—	2022
2.	Customer B	A private company in the PRC that focuses on battery technology and clean energy solutions	FICC	5,188	23.6	Bank acceptance bill	60	2022
3.	Customer C	A private company in the PRC that provides innovative industrial technology and advanced manufacturing solutions	FICC	2,296	10.5	Bank transfer; bank acceptance bill	60	2023
4.	Customer D	A private company in the PRC that develops advanced energy storage and solid-state battery solutions	ADCC, FICC	1,845	8.4	Bank acceptance bill	30	2022
5.	Customer E	A private company in the PRC that specializes in recycling renewable resources and sustainable solutions	Byproducts	1,440	6.6	Bank transfer	—	2023
	Total			**18,668**	**85.1**			

				Year ended December 31, 2024				
No.	Customers	Background	Products sold by us	Revenue	% of our total revenue	Payment Method	Credit terms	Year of commencement of business relationship with us
				(RMB in thousands)			*(days)*	
1.	Customer A	A private company in the PRC that develops and manufactures advanced lithium-ion battery energy solutions	FICC	128,289	49.7	Bank acceptance bill	60	2022
2.	Customer F	A private company in the PRC that provides smart energy solutions and advanced renewable technologies globally	FICC	36,952	14.3	Bank transfer; bank acceptance bill	30	2022
3.	Customer G	A private company in the PRC that produces advanced fluorochemical materials and new energy technologies	FICC	11,786	4.6	Bank transfer; bank acceptance bill	90	2024
4.	Customer H	A private company in the PRC that specializes in recycling renewable resources and sustainable development solutions	Byproducts	11,312	4.4	Bank transfer	—	2024
5.	Customer I	A private company in the PRC that develops and manufactures advanced lithium-ion battery energy solutions	FICC	10,901	4.2	Bank transfer; bank acceptance bill	90	2024
	Total			**199,240**	**77.2**			

				Year ended December 31, 2025				
No.	Customers	Background	Products sold by us	Revenue	% of our total revenue	Payment Method	Credit terms	Year of commencement of business relationship with us
				(RMB in thousands)			*(days)*	
1.	Customer F	A private company in the PRC that provides smart energy solutions and advanced renewable technologies globally	FICC	154,973	26.8	Bank transfer; bank acceptance bill	30	2022
2.	Customer K	A PRC company listed on the Shenzhen Stock Exchange that develops and manufactures advanced battery and energy storage solutions	FICC	105,504	18.2	Bank transfer; bank acceptance bill	60	2023
3.	Customer J	A South Korean company listed on the Korea Exchange that manufactures high-quality aluminum products for diverse industrial applications	FICC	78,658	13.6	Bank transfer	30	2025
4.	Customer A	A private company in the PRC that develops and manufactures advanced lithium-ion battery energy solutions	FICC, ADCC	48,781	8.4	Bank acceptance bill	60	2022
5.	Customer L	A private company in the PRC that engages in recycling renewable resources and sustainable solutions	Byproducts	29,713	5.1	Bank transfer	—	2025
	Total			**417,629**	**72.1**			

As of the Latest Practicable Date, none of our Directors, their close associates or any of our shareholders (who owned or to the knowledge of our Directors, owned more than 5% of our issued share capital) had any interest in any of our five largest customers.

The salient terms of our standard sales agreements are set out below:

- *Quality of the products*. The quality of the products shall comply with the specific standards agreed between us and our customers. In a case where there is no such agreement, the quality of the products shall comply with applicable national, local or industry standards.

- *Delivery*. We are usually responsible for delivering the goods to the location designated by the domestic customers and bear the risks in the delivery process. For our overseas customers, we typically deliver our products to the designated port.

- *Price*. The prices of the products are usually specified in each purchase order or sales agreement.

- *Payment Terms*. Customers usually pay us by bank transfer or bills after the products have been delivered and accepted.

- *Product Return/Exchange.* We offer return and exchange services in case of quality issues with our products. During the Track Record Period and up to the Latest Practicable Date, we did not have any product recalls or experience any material product returns or product liability claims.

- *Confidentiality.* We usually set confidentiality clauses with customers and such obligation shall continue to exist regardless of the termination of the agreement.

PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

We source raw materials and consumables from qualified suppliers with whom we maintain long-term relationships to ensure supply stability and quality compliance. All of our key suppliers are independent third parties. Our Strategic Supply Assurance Department independently manages high-cost foil procurement and coordinates with finance, operations and other functional units to optimize procurement efficiency. We implement digital management systems to automate purchasing workflows and enhance cost competitiveness through volume-based negotiations and channel consolidation.

We maintain a dedicated supply chain team responsible for enforcing quality standards, strengthening supplier relationships and mitigating procurement risks. For critical equipment purchases, we execute strategic cooperation agreements with vendors to secure platform-level pricing advantages. Our production planning follows an order-driven model. Inventory management combines safety stock buffers (aligned with supplier-side reserves) and dynamic adjustments based on sales forecasts.

Raw Materials and Consumables

The key raw materials and consumables for our operations primarily include copper foils, aluminum foils, customized polymer substrates, copper oxide powder, as well as binders, graphite and carbon black required for slurry formulation. During the Track Record Period and up to the Latest Practicable Date, we did not experience quality issues or shortages with our raw materials and consumables that materially affected our operations.

Supplier Management

Selection and Engagement of Suppliers

We develop our procurement strategy based on our need for raw materials and consumables, the stability of supplies and the availability of qualified suppliers. We generally select suppliers that can offer quality products, cost efficiency, timely delivery, production capacity and valuable customer services. We also consider our needs for technological development and security. Therefore, we have adopted a series of supplier management systems to stipulate the selection and engagement process, quality standards and regular evaluation and assessment.

Payment and Credit Terms

Our stable network of qualified suppliers provides us with the flexibility to mobilize resources effectively and achieve the desired procurement scale. Our comprehensive supply chain management system further bolsters our capacity to deliver superior products at competitive prices, thereby enhancing our efficiency and profitability. We typically enter into long-term agreements with our suppliers. Qualified suppliers are subject to annual performance evaluations, and we review and negotiate agreement terms with suppliers as needed. Our payment methods include wire transfers, bank acceptance bills and commercial acceptance bills, among others. Our credit terms for procurement are generally between one month and six months, and we typically conduct monthly settlements with our suppliers.

Major Suppliers

In 2023, 2024 and 2025, purchases from the five largest suppliers in each year during the Track Record Period were RMB44.1 million, RMB254.4 million and RMB438.6 million, respectively, accounting for 75.6%, 74.0% and 78.3% of our total purchases, respectively. Purchases from the single largest supplier in each year during the Track Record Period were RMB33.5 million, RMB135.3 million and RMB221.8 million, accounting for 57.4%, 39.3% and 39.6% of our total purchases, respectively.

The tables below set forth information about our five largest suppliers for each year during the Track Record Period:

		Year ended December 31, 2023						
No.	Suppliers	Background	Products/services provided to us	Purchase amount	% of total purchases	Payment Method	Credit terms	Year of commencement of business relationship with us
				(RMB in thousands)			*(days)*	
1.	Supplier A	A private company in the PRC that focuses on coal, power, aluminum and processing	Non-ferrous metal rolled material such as aluminum foil	33,457	57.4	Bank transfer; bank acceptance bill	30	2023
2.	Supplier B	A private company in the PRC that provides advanced aluminum alloy and new material solutions	Non-ferrous metal rolled material such as aluminum foil	4,333	7.4	Bank transfer; bank acceptance bill	30	2022
3.	Supplier C	A private company in the PRC specialized in aluminum alloy processing and advanced material solutions	Non-ferrous metal rolled material such as aluminum foil	3,622	6.2	Bank transfer; bank acceptance bill	30	2023
4.	Supplier D	A private company in the PRC that provides printing plate and mold manufacturing solutions	Printing products such as printing rollers	1,410	2.4	Bank transfer; bank acceptance bill	60	2022
5.	Supplier E	A private company in the PRC that focuses on aluminum products manufacturing and technology solutions	Non-ferrous metal rolled material such as aluminum foil	1,271	2.2	Bank transfer; bank acceptance bill	30	2023
	Total			**44,093**	**75.6**			

				Year ended December 31, 2024				
No.	Suppliers	Background	Products/services provided to us	Purchase amount	% of total purchases	Payment Method	Credit terms	Year of commencement of business relationship with us
				(RMB in thousands)			*(days)*	
1.	Supplier A	A private company in the PRC that focuses on coal, power, aluminum and processing	Non-ferrous metal rolled material such as aluminum coil	135,274	39.3	Bank transfer; bank acceptance bill	30	2023
2.	Supplier F	A private company in the PRC that produces advanced aluminum materials	Non-ferrous metal rolled material such as battery aluminum foil	43,943	12.8	Bank transfer; bank acceptance bill	30	2023
3.	Supplier B	A private company in the PRC that provides advanced aluminum alloy and new material solutions	Non-ferrous metal rolled material such as bright foil	32,086	9.3	Bank transfer; bank acceptance bill	30	2022
4.	Supplier G	A private company in the PRC that manufactures aluminum products	Non-ferrous metal rolled material such as aluminum foil	22,934	6.7	Bank transfer; bank acceptance bill	—	2022
5.	Supplier C	A private company in the PRC that specializes in aluminum foil production and technology solutions	Non-ferrous metal rolled material such as aluminum foil	20,194	5.9	Bank transfer; bank acceptance bill	30	2023
	Total			**254,431**	**74.0**			

				Year ended December 31, 2025				
No.	Suppliers	Background	Products/services provided to us	Purchase amount	% of total purchases	Payment Method	Credit terms	Year of commencement of business relationship with us
				(RMB in thousands)			*(days)*	
1.	Supplier A	A private company in the PRC that focuses on coal, power, aluminum and processing	Non-ferrous metal rolled material such as aluminum foil	221,771	39.6	Bank transfer; bank acceptance bill	30	2023
2.	Supplier H	A South Korean company listed on the Korea Exchange specialized in high-quality aluminum foil products	Non-ferrous metal rolled material such as aluminum foil	102,132	18.2	Bank transfer	30	2025
3.	Supplier I	A private company listed in the PRC specialized in aluminum alloy processing and advanced material solutions	Non-ferrous metal rolled material such as lithium-ion battery foil	46,623	8.3	Bank transfer; bank acceptance bill	45	2024
4.	Supplier J	A private company in the PRC that manufactures aluminum products for diverse industrial applications	Non-ferrous metal rolled material such as aluminum foil	36,831	6.6	Bank transfer; bank acceptance bill	30	2025
5.	Supplier K	A private company in the PRC that processes and develops electronic materials, components, alloys and energy equipment	Non-ferrous metal rolled material such as battery foil	31,277	5.6	Bank transfer; bank acceptance bill	30	2024
	Total			**438,634**	**78.3**			

As of the Latest Practicable Date, none of our Directors, their close associates or any of our shareholders (who owned or, to the knowledge of our Directors, owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers in each year during the Track Record Period.

Salient Terms of Agreements with Suppliers

The salient terms of the typical agreements with our suppliers are set forth below:

- *Quality standards.* The required quality standards and specifications are clearly outlined in the procurement agreements and we reserve the right to inspect, reject, return or request rework of non-conforming products.

- *Pricing.* Prices are determined or adjusted based on the type of materials and suppliers involved, as specified in the relevant purchase orders.

- *Inspection and compensation.* Our agreements stipulate that we have the right to conduct inspections upon delivery and obtain a qualification certificate from the suppliers before products are placed into storage. If the quality of the products fails to meet the agreed standards, we reserve the right to return the products or demand monetary compensation.

- *Credit terms and payment.* Credit terms and payment methods are specified in the purchase orders. Our major suppliers typically grant us credit terms ranging from 30 to 90 days.

- *Termination.* We may unilaterally terminate the agreement upon supplier default or in the event of force majeure. Termination does not affect our right to pursue legal remedies for any losses incurred.

OVERLAPPING OF MAJOR CUSTOMER AND SUPPLIER

During the Track Record Period, Customer J, one of our top five customers in 2025, was also our supplier of aluminum foils for the production process, namely, Supplier H. There was overlap in our business relationships primarily due to the main business activities of Customer J, which included the manufacturing and supply of aluminum foil and related products for industrial, packaging and energy storage applications, with a strategic focus on materials for EV batteries. Therefore, Customer J sourced FICC used in battery manufacturing from us.

Negotiations of the terms of our sales to and purchases from the overlapping customer/supplier were conducted on an individual basis and the sales and purchases were neither inter-connected nor inter-conditional with each other. All of our sales to and purchases from the overlapping customer/supplier were conducted in the ordinary course of business under normal commercial terms and in arm's-length transactions. Our Directors believe that all negotiations were conducted on an arm's-length basis, consistent with the prevailing market practices, and are comparable to those offered to our other customers and suppliers. In 2025, our revenue from Customer J was RMB78.7 million, accounting for approximately 13.6% of our total revenue in the same year. Our gross loss from Customer J was RMB12.4 million in 2025, representing a gross loss margin of 15.8% in the same year. Our purchases from Supplier H (Customer J) were RMB102.1 million in 2025, accounting for approximately 18.2% of our total purchases in the same year. We did not have any transaction with Customer J during 2023 and 2024.

INVENTORY MANAGEMENT

We implement inventory management policies to optimize stock levels while ensuring production continuity and capital efficiency. Our system maintains real-time tracking of raw materials, semi-finished goods and finished products through batch-specific records with timestamps for inbound/outbound activities. We conduct periodic inventory audits where warehouse personnel verify physical quantities against system data, generating variance reports to ensure accuracy. Safety stock levels for critical raw materials are set at 10%-20% of monthly shipment volumes to mitigate supply chain disruptions.

We coordinate closely with suppliers to align procurement schedules with production plans, placing orders one month in advance to secure stable material flows. Our inventory control framework emphasizes quality monitoring through scheduled inspections and cost optimization via turnover rate maximization strategies. The integrated management system enhances visibility

across procurement, warehousing and distribution cycles, maintaining compliance with relevant provisions on inventory management in the Nanopore Internal Control Manual and the Nanopore Innovative Materials Financial Internal Control System (Trial) while minimizing holding costs.

QUALITY CONTROL

We are dedicated to pursuing excellent quality and performance on a continuous basis. To ensure this, we have implemented comprehensive policies and have detailed procedures in place to ensure our consistent quality, encompassing well-rounded processes including raw materials selection, production, testing and after-sales service. Set forth below are our quality control measures as categorized by stages of production.

Raw Material & Supplier Quality Management

Our raw material quality control system implements tiered supplier evaluation protocols through technical capability assessments and on-site production audits. We maintain a framework aligned with IATF 16949 standards, mandating comprehensive evaluations of suppliers' manufacturing facilities, historical performance records and quality management certifications. The system requires technical specialists to conduct periodic site inspections verifying process compliance, with strategic partnerships established to ensure material traceability. Material quality assurance mechanisms include inbound inspections covering dimensional tolerances and functional parameters, supplemented by statistical warehouse sampling and mandatory reporting documentation from suppliers. Non-conformance management protocols authorize immediate corrective actions with defined remediation periods, material return procedures for critical defects and financial compensation mechanisms for quality incidents.

Production Process Quality Management

Our manufacturing quality control integrates APQP-driven procedures with real-time equipment monitoring systems. Standardized production workflows incorporate industry benchmarks through detailed SOPs. Process optimization initiatives such as automatic error-detection and alert systems trigger immediate production halts upon detecting non-conforming outputs. In-process quality monitoring employs IPQC checkpoints at critical stages, with digital traceability systems recording material batch data and machine parameters. Preventive maintenance schedules sustain equipment operational stability.

Finished Product Quality Management

We implement comprehensive control plans for each production stage to ensure thorough quality control. Product non-conformities activate our containment protocol: non-conformance documentation, root cause analysis and corrective/preventive action implementation. This systematic approach prevents non-conforming product releases and reduces quality issue recurrence.

After-Sales Services

In the event that our products have any defect or quality issue, we will provide replenishment or replacement within the specified time frame upon receiving notification from our customers. We believe that delivering excellent after-sales service is crucial to our success, as it enhances the product value chain and increases satisfaction among customers and end-users. To ensure effective communication with our customers, we conduct regular after-sales satisfaction surveys.

Customer feedback is collected through telephone, email and our product and marketing teams. When a complaint arises, our dedicated team proactively contacts the customer to assess the situation and identify the root cause. If the issue is linked to our products, we address it promptly in accordance with customer requirements, including replenishment or replacement within the agreed time frame. Our technical team conducts a quality analysis for reported issues, and once an internal investigation confirms a defect, the quality control department coordinates with the product team to initiate the replenishment or replacement process. As a result of our adherence to quality control procedures, we did not experience any material sales returns or any material product liability or major legal claims due to product safety and quality control issues, and we did not recall any products during the Track Record Period and up to the Latest Practicable Date.

COMPETITION

We operate in the advanced functional current collector market, which is characterized by high technological barriers and increasing concentration as leading players scale up production and strengthen supply chain integration. The global market for advanced functional current collectors comprises two major segments: composite current collectors and functional interface current collectors, each with distinct competitive dynamics.

According to Frost & Sullivan, the global functional interface current collector market is highly concentrated, with the top five manufacturers accounting for 87.7% of global shipments in 2025. By shipment volume, we ranked third globally in 2025 with shipments of 12.5 thousand tons and a market share of 11.0%. In the composite current collector segment, Chinese companies dominate the global market through significant R&D investment, proprietary material patents and deposition innovations. With an annual production capacity of 62.9 million sq.m., we ranked first globally among composite current collector manufacturers as of December 31, 2025.

We believe we are well-positioned to capture growth opportunities in the advanced functional current collector industry through our leading production capacity, proprietary material technologies and integrated supply chain capabilities. Our ability to deliver customized solutions for high-energy-density batteries, combined with strong partnerships across the value chain, enables us to address evolving customer needs in sectors such as automotive, energy storage, photovoltaics, high-end electronics and aerospace. Leveraging these competitive advantages, we aim to consolidate our leadership position and drive innovation across emerging application scenarios, see "Industry Overview."

For risks relating to our competitiveness in the industry, see "Risk Factors — Risks Relating to Our Business and Industry — We may not compete effectively in the advanced functional current collector market."

BUSINESS SUSTAINABILITY

Reasons for Historical Loss

Despite our rapid revenue growth during the Track Record Period, we remained loss-making. We recorded gross loss of RMB8.8 million, RMB62.9 million and RMB49.7 million in 2023, 2024 and 2025, respectively, while our gross loss margin narrowed from 40.1% in 2023 to 24.4% in 2024 and further to 8.6% in 2025. We incurred loss before income tax of RMB210.7 million, RMB243.6 million and RMB336.2 million in 2023, 2024 and 2025, respectively, while our loss before income tax margin narrowed from 960.2% in 2023 to 94.4% in 2024 and 58.1% in 2025. We also recorded net cash used in operating activities of RMB164.8 million, RMB338.2 million

and RMB297.1 million in 2023, 2024 and 2025, respectively. Our gross loss position, loss before income tax and net operating cash outflows during the Track Record Period were primarily attributable to the following factors:

- *Substantial upfront R&D investments as a technology-driven company.* The advanced functional current collector market in which we operate is rapidly evolving, and our ability to maintain technological leadership depends on continuous R&D investment. We have made substantial investments in R&D to develop and optimize our advanced functional current collector products and solutions, improve product performance and production processes, support customer validation and expand our product pipeline. Such investment was necessary to establish our core technologies and support product commercialization, but the related products and customer projects had not yet fully generated scaled revenue contribution during the Track Record Period. In 2023, 2024 and 2025, our R&D expenses were RMB66.2 million, RMB93.6 million and RMB146.6 million, representing 301.8%, 36.3% and 25.3% of our total revenue for the same years, respectively. These R&D expenses, together with our gross loss position, contributed to our loss before income tax during the Track Record Period.

- *Capital-intensive manufacturing model with high fixed cost base.* Our business requires substantial upfront investment in production bases, specialized production lines and customized equipment to support high-precision manufacturing, product quality control and future mass production. During the Track Record Period, our capital expenditures primarily consisted of purchases of property, plant and equipment for production capacity expansion and manufacturing capability upgrades, amounting to RMB221.8 million, RMB190.2 million and RMB161.5 million in 2023, 2024 and 2025, respectively. Such upfront investments resulted in a sizeable fixed asset base and fixed manufacturing costs, including depreciation and production overhead. Before our revenue scale and production volume reached a level sufficient to fully absorb these fixed manufacturing costs, our high fixed cost base contributed to higher unit production costs and our gross loss position during the Track Record Period. In addition, these upfront investments required substantial cash resources before the related production capacity and revenue contribution had fully scaled, which increased our overall funding needs during the Track Record Period.

- *Production capacity utilization below optimal level during production ramp-up.* Our manufacturing operations were in the ramp-up phase during the Track Record Period as we expanded production capacity to support growing customer demand and the anticipated commercialization of our products. Such capacity expansion was undertaken ahead of full-scale revenue contribution because sufficient production capacity is important to support customer validation, technical coordination and future mass production readiness, and is also one of the key factors considered by downstream customers when selecting qualified suppliers. During this period, our production volume had not yet increased proportionately with our expanded capacity, and we had not yet achieved optimal capacity utilization. As a result, our existing production capacity had not yet reached the critical mass required to fully realize economies of scale. Accordingly, fixed manufacturing overhead continued to be absorbed over a relatively limited production volume, resulting in higher unit production costs. Although our utilization rate for FICC improved during the Track Record Period, our production capacity utilization had not yet reached a level sufficient to fully dilute fixed manufacturing overhead, which contributed to higher unit production costs and our gross loss position.

- *Production and operational arrangements still being optimized during the initial stage of commercialization*. During the Track Record Period, as our customer base and product applications expanded, our production and operational arrangements were still being optimized to address a growing range of customer requirements. Our products are customized based on customer needs, and different customers, battery platforms and application scenarios may require different product specifications, technical parameters, quality inspection standards and production arrangements. As a result, we were required to coordinate production planning, line scheduling, equipment operation, labor allocation and quality control across multiple customer projects and product specifications. In addition, our production yield and material utilization were still improving as production experience accumulated, employees became more familiar with production processes and equipment configuration was refined. These factors increased production complexity and affected our ability to optimize equipment efficiency, labor efficiency, yield and material utilization during the Track Record Period, which contributed to higher unit production costs and our gross loss position.

- *External cost and commercial pressures during the early commercialization stage.* Raw materials, consumables and services represented a significant portion of our cost structure during the Track Record Period. At the same time, our procurement volume, supplier arrangements and customer order structure were still developing, which limited our ability to optimize procurement costs, payment terms and production planning at an early stage. In addition, as we expanded production capacity and prepared for the commercialization and mass production of our advanced functional current collector products, we incurred substantial raw material, consumables and service costs, while the related revenue contribution had not yet fully scaled during the Track Record Period. On the customer side, as our customer base, market share and order volume were still developing, our product pricing, payment terms and order structure were also affected by early-stage commercial arrangements and customer qualification requirements. In 2023, 2024 and 2025, our costs of raw materials, consumables and services amounted to RMB18.6 million, RMB256.5 million and RMB499.2 million, respectively, representing 84.9%, 99.4% and 86.3% of our revenue for the same years, respectively. Although such percentage decreased in 2025 as compared with 2024, these costs remained high relative to revenue and continued to affect our gross margin during the Track Record Period. These early-stage commercial arrangements and rapid business expansion also increased our working capital requirements, as we granted credit terms to customers, maintained inventories to support customer orders and production ramp-up and made prepayments and deposits to secure raw materials, equipment-related services and other production resources. Together with our loss-making operations, these factors contributed to our net cash used in operating activities during the Track Record Period.

Path to Profitability

In the foreseeable future, we plan to improve our financial performance and progress toward profitability by expanding our revenue and business scale, improving our gross margin through higher production utilization and cost optimization, and enhancing operating efficiency while maintaining disciplined investment in R&D and commercialization.

Expanding Our Revenue Scale

We experienced rapid revenue growth and sales volume expansion during the Track Record Period. Our revenue increased from RMB21.9 million in 2023 to RMB258.0 million in 2024, and further increased by 124.3% to RMB578.6 million in 2025. Such growth was primarily driven by the substantial increase in sales volume of our FICC products, which increased from 461.3 tonnes

in 2023 to 5,864.6 tonnes in 2024 and further to 12,452.2 tonnes in 2025. During the same period, our customer base also expanded from 54 customers as of December 31, 2023 to 147 customers as of December 31, 2024 and 231 customers as of December 31, 2025, reflecting increasing market acceptance of our products and solutions. We expect our future revenue growth and business scale expansion to be primarily supported by the following factors.

- *Increasing sales volume and market adoption of our core products.* Our revenue growth during the Track Record Period was mainly driven by increased sales volume of FICC products, which represented the majority of our revenue from product sales. As downstream battery manufacturers and OEMs continue to pursue improvements in battery safety, energy density, cycle life, cost efficiency and charging performance, we expect demand for advanced functional current collectors to continue to increase. According to Frost & Sullivan, the global consumption volume of advanced functional current collectors increased from 1,332.0 million sq.m. in 2021 to 9,287.8 million sq.m. in 2025, and is expected to reach 60,666.0 million sq.m. by 2031. Our established product portfolio, mass production capability and customer validation experience are expected to support further sales volume growth, which may in turn support higher production utilization. For the four months ended April 30, 2026, the sales volume of our FICC products increased to 6,900.6 tonnes, representing an increase of 286.7% from 1,784.8 tonnes for the same period in 2025.

- *Deepening relationships with existing customers and expanding our customer base.* Our customer base expanded significantly during the Track Record Period. Our customers include leading battery manufacturers, automotive OEMs, consumer electronics companies and specialized innovators developing next-generation battery systems. We intend to deepen cooperation with existing customers by supporting their evolving requirements across new battery platforms and application scenarios, while continuing to acquire new customers with demand for high-performance current collector products. In doing so, we also intend to improve the matching between customer requirements, order structure and our production line configuration, including by engaging with customers at an earlier stage on product specifications, quality requirements and production arrangements. This is expected to help us reduce repeated production adjustments, improve production planning and support more efficient use of our production capacity. As customer validation and qualification processes in our industry generally require time and technical collaboration, our early engagement with customers provides a basis for subsequent order conversion and potential revenue growth.

- *Advancing commercialization of ADCC and other next-generation products.* While our revenue during the Track Record Period was primarily generated from FICC, our ADCC revenue remained limited. We expanded ADCC production capacity ahead of large-scale commercialization, and our ADCC products are designed to address customer needs for lighter, safer and more cost-efficient current collectors. As customer validation progresses and large-scale adoption of composite current collectors develops, we intend to increase the commercialization of ADCC and other next-generation products, including bipolar current collectors, dry electrode current collectors and pipeline products for solid-state battery applications. This may broaden our revenue base and reduce reliance on a single product category over time.

- *Broadening application scenarios and overseas markets.* During the Track Record Period, we began to expand into overseas markets, and our overseas revenue increased from RMB0.3 million in 2023 to RMB9.3 million in 2024 and RMB119.3 million in 2025, representing 1.5%, 3.6% and 20.6% of our total revenue in the same years, respectively. In addition to lithium-ion battery applications, we are developing solutions

for emerging application scenarios such as photovoltaics, high-end electronics and aerospace, where advanced functional current collectors may be used for their lightweight, corrosion-resistant and performance-enhancing characteristics. The expansion of overseas sales and new application scenarios is expected to provide additional revenue opportunities, although the timing and scale of such opportunities will depend on customer demand, product validation and market adoption.

- *Managing pricing pressure through sales volume growth, product mix optimization and technology solutions.* During the Track Record Period, the ASP of our FICC products decreased from RMB42.5/kg in 2023 to RMB40.1/kg in 2024 and RMB39.5/kg in 2025, while the ASP of our ADCC products decreased from RMB20.9/sq.m. in 2023 to RMB16.3/sq.m. in 2024 and RMB8.9/sq.m. in 2025. Such ASP trends reflected, among other things, changes in product specifications, customer and product mix and pricing pressure as our sales scale expanded. We intend to support revenue growth by increasing sales volume, enhancing product performance, optimizing product mix toward higher value-added products and expanding technology solutions. Our technology solutions generated revenue of RMB7.7 million and RMB30.1 million in 2024 and 2025, respectively, and recorded gross profit in both years, which may complement our product sales and support our overall revenue structure.

Improving Our Gross Margin

- *Improving production utilization, yield and manufacturing efficiency.* We plan to improve our gross margin by increasing production volume, improving capacity utilization and enhancing manufacturing efficiency. As our customer adoption progresses and production volume increases, we expect to better absorb fixed manufacturing costs, including depreciation, labor and production overhead, over a larger production base, thereby reducing unit production costs. In addition, we plan to improve our manufacturing efficiency by enhancing production planning, line scheduling, equipment operation and labor allocation, and by improving the matching between customer order requirements and our production line configuration. These measures are expected to reduce repeated production adjustments, shorten changeover and downtime, improve equipment and production personnel efficiency and support more stable production output. Our production efficiency also improved during the Track Record Period. The yield rate of our FICC improved from 88%-90% for the four months ended April 30, 2025 to 92%-94% for the four months ended April 30, 2026, while the waste rate decreased from 10%-12% to 6%-8%. Our equipment operating rate also increased from 60.0% to 65.0% during the same periods. These improvements reflected increased production experience, improved process control, more stable production scheduling and better equipment operation. We also plan to continue to optimize our production processes and equipment configuration, including roll-to-roll processing, automated production control, intelligent changeover systems and real-time process monitoring, to increase throughput, reduce downtime, improve yield and minimize production waste. As our production experience accumulates and process control capabilities improve, we also expect to improve product yield and raw material utilization, thereby reducing raw material consumption and production cost per unit. These measures are expected to support higher production efficiency and improve our gross margin over time. Our production capacity utilization rates for FICC increased from 28.1% for the four months ended April 30, 2025 to 78.0% for the four months ended April 30, 2026, primarily reflecting higher customer orders and production volume for FICC.

- *Optimizing raw material and production costs.* We plan to improve our gross margin by optimizing our raw material procurement, improving material utilization and reducing production costs. Raw materials, consumables and services represented a significant portion of our cost structure during the Track Record Period, amounting to RMB18.6 million,

RMB256.5 million and RMB499.2 million in 2023, 2024 and 2025, representing 84.9%, 99.4% and 86.3% of our revenue for the same years, respectively. As our production and procurement scale expands, we expect to strengthen our bargaining power with suppliers and improve procurement efficiency through supplier qualification, volume-based procurement, long-term procurement arrangements and strategic cooperation with key suppliers. We also plan to further optimize procurement specifications and production processes based on our production needs. For example, for certain aluminum foil materials used in FICC production, we have begun to procure aluminum foil mother rolls instead of precision-cut aluminum foil, and conduct slitting and certain final processing steps in-house. This allows us to better satisfy different customer specifications, improve production flexibility, reduce procurement and processing costs and enhance material utilization. From a production perspective, we plan to further reduce material consumption through process optimization, proprietary formulations, improved electroplating and deposition techniques, better production planning and stricter quality control. We also plan to continue exploring alternative raw materials and process improvements, such as optimizing copper formulations, improving copper source utilization, extending the service life of key consumables and enhancing recycling and reuse mechanisms, while maintaining product quality and performance. These measures are intended to reduce raw material and consumable costs per unit and improve our cost structure.

- *Optimizing product mix and technology solutions.* We also plan to improve our gross margin through product mix optimization. We plan to focus on the commercialization of higher value-added products and solutions, including ADCC, bipolar current collectors, dry electrode current collectors and customized technology solutions, and to prioritize, respectively customers and application scenarios that require differentiated product performance and technical support. For our more mature FICC products, we plan to improve gross margin by promoting more standardized formulations and production parameters where compatible with customer requirements, which is expected to improve production consistency, reduce repeated formulation adjustments and support better production efficiency. At the same time, we plan to increase the contribution from higher value-added FICC products and technology directions, including FICC products for 3C applications, safety coating products, dry-electrode-compatible FICC products, sodium-ion functional interface current collectors and other differentiated products that require higher technical specifications and tailored technical support. We also plan to optimize customer and order mix by prioritizing customer projects with clearer technical requirements, more stable demand and better compatibility with our production capabilities and line configuration. This is expected to reduce production adjustment costs, improve production scheduling, lower material loss and support more efficient use of our production capacity. We also plan to continue early-stage customer engagement and collaborative R&D to develop tailored products that address customer requirements for safety, energy density, cycle life, charging performance and cost efficiency, with a view to supporting a more favorable product and customer mix over time.

Enhancing Operating Efficiency and Maintaining Disciplined Investment

- *Improving R&D efficiency through milestone-based project management.* We plan to maintain disciplined investment in R&D while improving the efficiency and commercial relevance of our R&D activities. Going forward, we plan to allocate R&D resources based on project milestones, technical feasibility, customer validation status and expected commercialization timeline. We will continue to conduct periodic reviews of key R&D projects, refine or discontinue projects that do not meet technical or commercial milestones and prioritize projects that are closely aligned with our core product roadmap, production capabilities and market demand. We also plan to enhance coordination among our R&D, production and

quality control teams so that product design, process development and mass production requirements are considered at an earlier stage, thereby reducing repeated testing, shortening development cycles and improving the conversion efficiency of our R&D investment.

- *Enhancing sales and marketing efficiency through more targeted resource allocation.* We plan to improve the efficiency of our sales and marketing activities by allocating resources based on the commercial potential, validation progress, technical fit and expected profitability of each project or customer opportunity. Instead of broadly increasing sales coverage, we will focus our sales and technical resources on projects with clearer demand, more defined technical requirements and better alignment with our production and cost structure. We also plan to strengthen internal coordination between sales, technical support and production planning teams to improve quotation discipline, delivery planning and customer service efficiency. These measures are intended to reduce inefficient sales efforts, improve the return on sales and marketing spending and support more disciplined commercialization.

- *Improving administrative efficiency and operating leverage.* We plan to improve administrative efficiency by strengthening budgeting, approval procedures, internal reporting and performance monitoring across key functions. As our business scales, we intend to avoid unnecessary duplication of administrative functions and improve the use of shared internal resources, digital management tools and standardized workflows. We will continue to build the internal control, compliance, financial reporting and corporate governance capabilities required for a **[REDACTED]** company, while maintaining disciplined headcount and expense control. These measures are intended to improve operating leverage by spreading fixed or semi-fixed administrative costs over a larger business scale.

- *Strengthening operating cash flow management.* We plan to improve operating cash flow management by applying stricter working capital discipline as our business expands. In 2023, 2024 and 2025, we recorded net cash used in operating activities of RMB164.8 million, RMB338.2 million and RMB297.1 million, respectively. Going forward, we plan to strengthen customer credit assessment, payment tracking and collection procedures, improve inventory planning based on production schedules and sales forecasts and manage procurement, prepayments and deposits based on actual production and project needs. We will also continue to monitor capital expenditure, production ramp-up requirements and cash allocation to ensure that our cash resources are used for our key R&D, production and commercialization activities. These measures are intended to reduce unnecessary cash tied up in working capital and support the gradual improvement of our operating cash flow position.

EMPLOYEES

As of December 31, 2025, we had 860 full-time employees. Our employees are primarily based in Jiangsu Province, China. The following table sets forth the number of our employees by function as of December 31, 2025.

Employee Function	Number of employees	Percentage
		(%)
Production	349	40.6
R&D	183	21.3
General administration and management	91	10.6
Sales and marketing	44	5.1
Others[(1)]	193	22.4
Total	**860**	**100.0**

Note:
(1) Others mainly included employees from departments such as IE, quality, warehousing and supply chain.

We use various recruitment methods, including campus recruitment, online recruitment and other external recruitment channels. In addition to salaries and benefits, we generally provide performance-based bonuses for our full-time employees. We have established a comprehensive system for employee training and development, including general training covering technology, management, professionalism, logistics and other operational aspects. We are committed to providing an engaging working environment for our employees.

We enter into standard labor contracts and confidentiality agreements with our full-time employees. In addition, we enter into non-competition agreements with our key management and professionals.

INSURANCE

During the Track Record Period, we provided mandatory social insurance for our employees in accordance with PRC social insurance regulations, such as pension insurance, unemployment insurance, work-related injury insurance and medical insurance. We also purchased commercial insurance, such as employer liability insurance and overseas accident insurance. Our Directors consider our insurance policy as a whole to be in line with general market practice. See "Risk Factors — Risks Relating to Our Business and Industry — We have customary insurance coverage, and any claims beyond our insurance coverage may result in us incurring substantial costs and a diversion of resources."

OCCUPATIONAL HEALTH AND SAFETY

Internal Policies on Occupational Health and Safety

We are committed to creating a healthy and safe working environment for employees, strictly following international safety standards, and have obtained ISO 45001:2018 Occupational Health and Safety Management System certification.

Safety Management Measures

We have formulated a comprehensive internal safety management system, including the Safety Production Reward and Punishment Management Regulations and the Workshop Reward and Punishment Management System. We instituted a dedicated safety management team, tasked with the crucial responsibility of addressing production safety incidents and maintaining records. We effectively prevent safety accidents by improving the hidden danger investigation and management system. In addition, we regularly conduct safety training and safety inspections to effectively improve the safety skills and awareness of employees. During the Track Record Period, we have not experienced any material workplace injuries.

PROPERTIES

We lease properties in the PRC for the use of manufacturing, R&D and office purposes. Our corporate headquarters are located in Jiangsu, China.

As of the Latest Practicable Date, we leased six properties from external third parties with an aggregate gross floor area of 172,554.43 sq.m. in the PRC for use as our production facilities and offices. As of the Latest Practicable Date, we had not completed the lease registration and filing for all leased properties with the relevant competent authorities in accordance with applicable laws and regulations in China. As advised by our PRC Legal Advisors, the lack of the lease registration and filing does not affect the validity of lease agreements, or result in us being required to vacate from these leased properties, but we may be ordered by relevant competent authorities to complete the lease registration and filing within a prescribed time period, and may be subject to fines if we fail to complete the lease registration and filing within the time period. Nevertheless, as advised by our PRC Legal Advisors, if the lease registration and filing can be completed within the prescribed time ordered by the relevant competent authorities, the risk of a material penalty being imposed on us with respect to our aforementioned leased properties would be remote. In addition, two of our leased properties currently under lease have lease terms exceeding 20 years. Pursuant to the Civil Code of the People's Republic of China, the term of a lease shall not exceed 20 years, and any portion exceeding 20 years shall be deemed invalid. Our PRC Legal Advisor is of the view that we are entitled to lease and use the relevant properties in accordance with the lease agreements up to the 20-year limit.

As of the Latest Practicable Date, none of the properties held or leased by us had a carrying amounts of 15% or more of our consolidated total assets. According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

LICENSES, APPROVALS AND PERMITS

As advised by our PRC Legal Advisor, as of the Latest Practicable Date, we obtained all requisite certificates, licenses, permits and approvals from the relevant authorities that are necessary for our business operations in all material respects in the PRC, and such certificates, licenses, permits and approvals are valid and effective.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

In the course of our general business operations, we may be involved in contract disputes, litigation or other legal procedures. As of the Latest Practicable Date, none of our Company, any of our subsidiaries or any directors had been involved in any material litigation, arbitration or claim that may have a material adverse effect on our financial condition or operating results.

Compliance

During the Track Record Period and up to the Latest Practicable Date, we did not experience any non-compliance incident which, individually or taken as a whole, in the opinion of our Directors, is likely to have a material and adverse effect on our business, financial condition or results of operations.

RISK MANAGEMENT AND INTERNAL CONTROL

We have formulated and implemented comprehensive risk management and internal control policies that span various aspects of our business operations to oversee and address a spectrum of operational, financial, legal and market risks that may be or have been identified in connection with our operations. These comprehensive risk management and internal controls are supported by our specific monitoring and reporting procedures and systems as outlined in the relevant policies. Our Board bears the responsibility for overseeing our overall risk management, ensuring that our risk management policies are not only implemented but also regularly reviewed and updated to reflect the changing business environment.

We established a dedicated risk management and internal control team which takes responsibility for establishing risk management and internal control policies, conducting internal audit, providing internal control consultation and guiding any rectification.

Business Operational Risk Management

We have established a series of internal procedures to manage business operational risks, including risks related to incomplete or problematic internal processes, personnel mistakes, IT system failures and external events. We take a comprehensive approach to operational risk management and implement a mechanism with detailed and decentralized responsibilities, clear rewards and penalty systems. Our business operations, finance, IT and human resources departments are collectively responsible for ensuring that our business operations comply and conform with internal procedures. On the occurrence of a major adverse event, the matter will be escalated to our senior management and the Board of Directors may need to take appropriate measures. Through effective business operational risk management, we expect to control operational risks within a reasonable range by identifying, measuring, monitoring and containing operational risks to reduce potential losses.

Financial Reporting Risk Management

We have in place a set of accounting policies in connection with our financial reporting risk management, including financial report management policies, budget management policies, financial statements preparation policies and financial department and staff management policies. We have various procedures in place to implement accounting policies, and our financial

department reviews our management accounts based on such procedures. We also provide regular training for our financial department staff to ensure that they understand financial management and accounting policies and implement them in our daily operations.

Intellectual Property Risk Management

See "— Intellectual Property."

Human Resources Risk Management

We provide regular and specialized training tailored to the needs of our employees in different departments. Our human resources department regularly organizes internal training sessions conducted by internal or external experts on topics of interest. Our human resources department schedules online training sessions, reviews the content of the training programs and follows up with employees to evaluate the impact of such training. Through these training courses, we ensure that our staff's skills remain up to date, enabling them to better discover and meet consumers' needs.

We have in place an employee handbook approved by our management and distributed to all of our employees, which contains internal rules and guidelines regarding best commercial practices, work ethics, fraud prevention mechanisms, negligence and corruption. We provide employees with regular training and resources to explain the guidelines contained in the employee handbook.

We also have in place an anti-corruption policy to safeguard against any corruption within our Company. The policy explains potential corruption conducts and our anti-corruption measures. We make our internal reporting channel available for our staff to report any corruption acts and our staff can also make anonymous reports to our internal audit department. Our internal audit department is responsible for investigating any reported incidents and taking appropriate measures. We also have regular training for employees regarding the anti-bribery policy to facilitate the implementation of the policy. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any anti-bribery incident by our employees in relation to our customers.

Investment Risk Management

Our investment strategy is grounded in the principles of compliance, prudence, safety and effectiveness. We consider the following criteria in making investment decisions: (i) size, expected returns and associated risks; (ii) compliance with applicable laws and regulations; (iii) consistency with our growth strategies; (iv) appropriateness of enterprise resource allocation; and (v) optimization of our portfolio.

We set up investment plans in line with our business strategies with input from various business departments. An investment budget is set up based on our business strategies every year. We generally intend to hold our investments for the long term. With surplus cash on hand, we may also make investments in cash management products to generate finance income at a yield higher than the current bank deposit interest rates, with an emphasis on capital preservation. Each investment decision is made based on internal vetting and discussions, considering factors such as market dynamics, expected returns and risks involved.

We believe that our internal strategy and policies regarding investments and the related risk management mechanisms are adequate, and that our investment decisions have been in full compliance with our investment strategy and policies.

INFORMATION SECURITY AND PRIVACY

We place significant emphasis on information security management, drawing on international best practices in our operations. We strictly abide by the Cybersecurity Law of the People's Republic of China, Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China and other national or regional laws and regulations to conduct business.

In the course of outbound daily operations, we may need to collect and process the personal information of our employees, visitors and business partners, involving various scenarios including personal information collection and use and entrusted third-party processing. We strictly comply with applicable laws and regulations, including the Personal Information Protection Law of the People's Republic of China, the Data Security Law of the People's Republic of China, the Cybersecurity Law of the People's Republic of China and other applicable laws and regulations, and enhance our data compliance management practices. We proactively follow the developments and interpretations of laws and regulations, conduct compliance risk assessments, perform compliance reviews and provide relevant training to our employees. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material data leakage or loss of data or information.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We have established an environmental, social and governance ("**ESG**") management framework comprising the decision-making level, the organizational level and the execution level. The Board of Directors, as the highest governance body, is responsible for ESG decision-making, including deliberating and approving our ESG and climate-related management policies, strategies, targets and annual work plans, which includes assessing, prioritizing and managing material ESG matters, risks and opportunities to ensure appropriate oversight of material ESG and climate-related issues. The Board meets at least semi-annually to discuss ESG matters and supervises and annually reviews ESG performance and progress against environmental targets. Directors have received ESG-related training to enhance their knowledge in this area.

The organizational level is the ESG Working Group, which is authorized by the Board. The ESG Working Group is co-led by the Director of Operations Management and the Head of the Materials Technology Research Institute, with leaders from all ESG-related departments as members. The organizational level is primarily responsible for (i) formulating ESG and climate-related management policies, strategies, annual work plans and targets for Board approval; (ii) identifying, assessing and managing material ESG and climate-related risks and opportunities; and (iii) continuously tracking and reviewing ESG and climate-related performance and progress of targets to ensure proper management and implementation of ESG matters. The ESG Working Group reports to the Board at least semi-annually on the Group's ESG matters.

The execution level comprises all ESG-related functional departments, which are mainly responsible for (i) promoting and implementing ESG and climate-related work, and (ii) collecting and reporting ESG-related internal policies, procedures and performance indicators. The execution level reports regularly to the ESG Working Group.

Materiality Assessment

To understand the expectations and needs of our stakeholders and accurately assess the materiality of ESG topics to our business, we referred to Appendix C2 (ESG Reporting Code) of the Main Board Listing Rules and industry-relevant topics, and appointed an independent third-party ESG consultant to conduct a materiality assessment through stakeholder surveys. We

analyzed the results based on importance to stakeholders and importance to the Company, and prioritized material topics accordingly. The materiality assessment process was as follows: (i) identify potential material ESG topics that may affect our business or stakeholders based on our actual circumstances; (ii) invite stakeholders (including Directors, senior management, shareholders/investors, employees, customers and suppliers/partners) to participate in surveys and collect their views on the importance of ESG topics; (iii) analyze survey results and prioritize potential material topics; and (iv) review and confirm material topics for further action and disclosure.

Based on the materiality assessment, we have identified five highly material ESG topics as follows:

- *Product quality.* We have established internal policies such as the Quality Management Manual, which defines our quality policy and objectives, and have implemented measures to control key steps including market development, design and development, operations management, quality control and procurement and warehousing to meet regulatory and customer requirements.

- *Compliance management.* We have compiled an Internal Control Manual and Compilation of Internal Control Systems, systematically setting out control methods and standard procedures for procurement, production and R&D to ensure that our operations comply with applicable requirements.

- *Anti-corruption.* We strictly implement the Clean Conduct Management Regulations, have formed an Integrity Supervision Team to perform oversight responsibilities, delineate red lines against all forms of corruption and maintain an integrity hotline and dedicated mailbox. We impose strict penalties on violators and reward verified whistleblowers.

- *Intellectual property protection.* We implement systems such as the IP Infringement Risk Response Plan and the IP Maintenance Plan, improving supporting measures such as intellectual property ownership and daily maintenance, establishing infringement response procedures and conducting compliance reviews to ensure IP compliance.

- *Corporate governance.* We have established a governance structure centered on the Board and formed five committees, Strategy, Investment Decision, Remuneration and Appraisal, Budget and Audit and Risk, with clearly defined responsibilities across departments to implement corporate governance.

Environmental Management

We maintain a strong commitment to strict adherence to the Environmental Protection Law of the PRC and other applicable environmental laws and regulations in the PRC. To standardize pollution prevention and water resources and energy management, we have formulated internal policies, including the Energy Conservation and Emission Reduction Initiative, Solid Waste Management System, Exhaust Gas Emission Management System and Wastewater Management System to strengthen our environmental work and ensure compliance with national and local environmental laws, regulations and standards. We have established an environmental management system and obtained ISO 14001 certification. We have also developed an Emergency Response Plan for Sudden Environmental Incidents to prevent major environmental accidents and mitigate their impact.

Energy and Emissions Management

Our primary energy sources are electricity, gasoline and natural gas. We implement multiple measures to reduce energy consumption and greenhouse gas emissions, including maximizing the use of natural lighting in offices and switching off lighting at night except for safety needs; retrofitting lighting in warehouses and corridors with skip-lamp controls and adding timers as needed to reduce consumption; requiring employees to switch off lights, air conditioning and office equipment when leaving offices and public areas; maintaining air conditioning at appropriate temperatures in production and office areas; installing rooftop photovoltaic facilities to use renewable energy; optimizing the cooling system for chilled water used in production (such as cooling towers and plate exchangers) to utilize free cooling; reusing condensate discharge from air conditioning dehumidification and applying spray cooling to heat pump chillers to improve cooling efficiency; recovering waste heat from production equipment (such as preheating fresh air using exhaust), reducing equipment energy consumption; and planning and implementing maintenance for production and public auxiliary equipment to reduce failure rates, improve performance efficiency and lower energy per unit output.

As of December 31, 2025, we had not (i) violated any laws or regulations relating to emissions of air pollutants and greenhouse gases, discharges into water or land or generation of non-hazardous or hazardous waste in all material respects, (ii) encountered any material events affecting the environment and natural resources, or (iii) received any environmental-related fines or litigation notices.

Water Resources Management

Although water is not our major consumption resource, we aim to conserve water and minimize wastage through measures such as advocating water conservation and encouraging employees to turn off taps promptly; replacing sanitary ware with water-saving models to reduce domestic water consumption; inspecting water-use fixtures and equipment in public and production areas and repairing promptly when faults are found; using RO concentrate from the purified water system for sanitary and landscaping purposes to reduce municipal water consumption; and, when building new bases, considering designing rainwater recycling systems for irrigation to further reduce municipal water consumption.

Waste Management

We maintain a strong commitment to strict adherence to the Solid Waste Pollution Prevention and Control Law of the PRC. We have formulated the Solid Waste Management System and Energy Conservation and Emission Reduction Initiative to guide employees in waste management and resource conservation. Key measures include adopting advanced production processes with source control and comprehensive utilization to reduce solid waste generation; promoting paperless office through OA systems and printing double-sided in black and white where possible to reduce paper and consumables; classifying and labeling solid waste containers and storage areas to prevent mixing; promoting and implementing waste sorting and entrusting qualified third parties for disposal; establishing classification, collection and storage procedures for hazardous waste, conducting staff training and organizing drills for hazardous waste emergency response; ensuring that hazardous waste storage areas have anti-seepage, rainproof, sunproof and fireproof measures and that storage facilities comply with national standards; managing hazardous waste by category and pursuing comprehensive utilization to prevent environmental pollution; and entrusting legally qualified parties for disposal of hazardous waste.

Key Environmental Performance Metrics

We conducted greenhouse gas accounting in accordance with the HKEX publication "How to Prepare an ESG Report — Appendix II: Environmental KPIs Reporting Guide." Direct GHG emissions from sources controlled or owned by the Group (including combustion of fossil fuels from stationary and mobile sources and refrigerant leakage) are classified as Scope 1, while Scope 2 emissions are indirect emissions from purchased electricity. The table below sets forth key environmental metrics for our business operation:

	Year ended December 31,		
	2023	2024	2025[(1)]
Greenhouse Gas Emissions			
Scope 1 (Direct emissions) *(tonnes of CO_2 equivalent)*	2.3	29.9	52.6
Scope 2 (Indirect emissions) *(tonnes of CO_2 equivalent)*	6,887.6	17,924.0	27,689.5
Total Scope 1 and 2 greenhouse gas emissions *(tonnes of CO_2 equivalent)*	6,889.9	17,953.9	27,742.1
Scope 1 and 2 greenhouse gas emissions intensity *(tonnes of CO_2 equivalent per RMB million revenue)*	314.0	69.6	—
Resource Consumption			
Electricity Consumption *(kWh)*	12,835,685.0	33,402,946.0	52,185,250.3
Electricity Intensity *(kWh per RMB million revenue)*	584,875.8	129,477.3	—
Water Consumption *(cubic meters)*	20,015.0	76,431.0	96,295.0
Water Intensity *(cubic meters per RMB million revenue)*	912.0	296.3	—
Waste			
Non-hazardous waste *(tonnes)*	13.2	590.4	738.9
Non-hazardous waste intensity *(tonnes per RMB million revenue*	0.6	2.3	—
Hazardous waste *(tonnes)*	26.1	320.7	599.0
Hazardous waste intensity *(tonnes per RMB million revenue)*	1.2	1.2	—

Note:

(1) The increase in greenhouse gas emissions, resource consumption (including fuel, electricity and water), and waste in 2025 was primarily attributable to the increase in employees, operational activities and production volumes.

Environmental Targets

Based on the past three years of environmental data and assuming comparable operating levels, we have set environmental targets aimed at maintaining or reducing GHG emissions, electricity consumption and water use:

- ***GHG emissions***: Using 2024 as the base year, we target a 10% reduction in Scope 1 and 2 emissions intensity by 2030. See "Energy and Emissions Management" for measures to achieve this target.

- ***Electricity use***: Using 2024 as the base year, we target a 10% reduction in electricity intensity by 2030. See "Energy and Emissions Management" for measures.

- ***Water use***: Using 2024 as the base year, we target a 10% reduction in water intensity by 2030. See "Water Resources Management" for measures.

Climate Change

The Board has full responsibility for oversight of climate-related management. We treat climate change management as a priority and recognize the physical risks arising from changing climate patterns and extreme weather events, as well as transition risks associated with the global move toward a low-carbon economy. We systematically identify and assess short-term (within 5 years), medium-term (5–15 years) and long-term (over 15 years) climate-related risks and opportunities, and formulate corresponding measures to mitigate those risks. Our risk management strategy is closely aligned with the assessments described below.

Physical Risks and Mitigation

The following table sets forth the risks identified by us:

Potential Risk	Time Frame	Risk Level (High/Medium/Low)	Potential Impact on Business, Strategy and Financials	Mitigation Measures
Floods, Cyclones	Short Term	Low	Extreme weather (such as heavy rainfall, hurricanes, floods) and natural disasters may damage or destroy equipment and plant buildings, threaten personnel safety and result in direct asset losses as well as indirect losses from production interruptions.	Establish emergency response mechanisms and contingency plans, monitor abnormal weather conditions and prepare emergency supplies in advance. Strengthen plant engineering and windproof reinforcement, and ensure smooth drainage.
Extreme Temperatures	Long Term	Low	Extreme high temperatures may increase energy consumption of cooling systems and air conditioning maintenance costs, and may also increase risks of power supply anomalies, fire hazards and employee health issues, ultimately leading to property losses and reduced production efficiency.	Retrofit production facilities and sites to adapt to high-temperature environments, improve energy efficiency and reduce energy consumption under comparable conditions. Establish extreme weather contingency plans, standardize occupational health management for employees and safeguard employee health. Conduct employee safety education and training, covering proper use of protective equipment and safe operating procedures and conduct annual fire drills.

Transition Risks and Mitigation

The following table sets forth the transitional risks identified by us:

Potential Risk	Time Frame	Risk Level (High/Medium/Low)	Potential Impact on Business, Strategy and Financials	Mitigation Measures
Policy and Regulatory Risk	Medium to Long Term	Low	The Hong Kong Stock Exchange's new climate regulations incorporate climate-related disclosure requirements, which may increase our sustainability reporting obligations and compliance costs.	Closely monitor changes in external regulations, including local policies and stock exchange rules, and strengthen climate-related disclosure and management to ensure that business operations consistently comply with applicable laws and regulations.
Technology Risk	Medium to Long Term	Low	The market is inclined toward energy-saving or green technologies; technological lag may weaken our competitive advantage.	Assess the feasibility and benefits of adopting the latest low-carbon and energy-saving technologies.
Reputational Risk — Carbon emissions are under close scrutiny by various stakeholders . .	Medium to Long Term	Low	Stakeholder attention to carbon emissions is rising. Poor performance in this area may damage our brand image and reputation, thereby affecting revenue.	Regularly disclose efforts made in reducing greenhouse gas emissions to stakeholders. Enhance climate-related disclosures to improve transparency.
Market Risk — Changes in user preferences. . .	Medium to Long Term	Low	Customer awareness of climate risks and opportunities is increasing, which may lead to changes in customer preferences and a reduction in revenue.	Promote green R&D and operations by increasing investment in the development of low-carbon products. Formulate a sustainability strategy and strengthen green and low-carbon management to respond to customer expectations regarding corporate environmental responsibility.

Employment Compliance

We maintain a strong commitment to strict adherence to the Labor Contract Law of the PRC and other applicable labor laws in the PRC. We have formulated and implemented internal policies such as the Employee Handbook and the Employee Rights Charter to prohibit employment discrimination, provide equal employment opportunities and prohibit explicit or implicit

discriminatory conditions in recruitment. We do not collect personal information unrelated to work during recruitment and fully protect employees' equal employment rights. We strictly prohibit child labor and verify candidates' identification documents during recruitment. We sign labor contracts with employees on a fair and voluntary basis in accordance with laws and regulations, enforce anti-harassment, anti-trafficking and anti-slavery controls and adopt a zero-tolerance stance toward forced labor by employees or suppliers in the course of operations.

Remuneration and Benefits

We implement a graded remuneration system under the Employee Handbook, determining salaries based on position, responsibilities, capability and performance, and make statutory contributions to pension, medical insurance and the housing fund in accordance with local regulations. We provide working meals and overtime meals, organize recreational activities from time to time and give gifts or cash allowances during the Spring Festival, Dragon Boat Festival and Mid-Autumn Festival, as well as upon employee marriage or childbirth, as a sign of care. We also set monthly and annual role model awards to encourage positive competition and innovation.

We set out various types of leave in the Employee Handbook, including sick leave, annual leave, work injury leave, marriage leave, maternity leave, bereavement leave and family planning leave, to help employees balance work and life. We implement the Female Employee (Pregnant) Protection Management Procedures to safeguard the legal rights of female employees across non-discrimination, leave and scope of work.

Training and Development

We provide induction training, training for key posts, special post training, professional technical training, on-the-job training, internal training and external training. Employees must attend Company-arranged training and related examinations. We maintain detailed records for each training activity and participation and assessment results are incorporated into the annual employee appraisal. In accordance with the Employee Handbook, we prepare an annual training plan and require all employees to receive safety training. Employees who have not passed induction training and special post training assessments may not commence work.

Occupational Health and Safety

We attach great importance to occupational health and safety. Our occupational health and safety management system has obtained ISO 45001 certification. We have implemented a Production Safety Incident Emergency Response Plan, formed an emergency command structure and adopted accident prevention and early warning measures. Our response procedures and recovery arrangements cover scenarios including electric shock, mechanical injuries and vehicular injuries. We provide employees with workwear and necessary labor protection supplies free of charge and conduct annual occupational health examinations, safety training and fire drills to ensure employee safety.

During the Track Record Period and up to the Latest Practicable Date, we did not receive any complaints or litigation relating to violations of health and safety laws.

Supply Chain Management

We fairly and impartially select qualified suppliers in accordance with the Supplier Evaluation and Selection Control Procedures, implement the Supplier Quality Management Specification to ensure supply quality, and apply the Supplier Performance Appraisal Specification to define appraisal methods, evaluate supplier performance objectively and fairly, and manage supplier elimination procedures.

To manage environmental and social risks in the supply chain, we require suppliers to sign a series of agreements. We have entered into a Social Responsibility Agreement with suppliers prohibiting employment or support of child labor or forced labor, safeguarding occupational health and safety and requiring equivalent standards to be imposed on sub-suppliers. We also require suppliers to consider resource and energy conservation and pollution prevention in production and service processes. In addition, we sign an Environmental Protection Agreement with suppliers requiring them to provide annual hazardous substance testing reports for their products to ensure compliance with national requirements and our internal environmental standards.

Anti-corruption

We advocate adherence to business ethics and clean conduct by all employees and enforce the Clean Conduct Management Regulations and the Anti-Money Laundering Management System. Our business, legal and internal control departments form a three-line defense for anti-money laundering by conducting customer due diligence and monitoring and reporting transactions to manage money laundering risks. Under the Board, we have established an Integrity Supervision Team responsible for setting integrity rules and investigating and collecting evidence on related violations. We delineate red lines against bribery, acceptance of bribes and abuse of power, and we sign the Commitment to Integrity and Self-Discipline in the Workplace with management, key post employees and core employees. We have set up a dedicated hotline and email for integrity reports, keep whistleblower identities strictly confidential, impose penalties on verified violators and reserve the right to pursue legal liability.

AWARDS AND RECOGNITIONS

We have received various honors and awards in recognition of our products, technology and innovation. The significant honors and awards during the Track Record Period and as of the Latest Practicable Date are set forth below:

Award/Recognition	Award year	Awarding Institution/Authority
Jiangsu Provincial Unicorn Enterprise	2025	Jiangsu Provincial Productivity Promotion Center
Third Prize, Science and Technology Innovation Award, Jiangsu Association for Science and Technology Innovation	2025	Jiangsu Association for Science and Technology Innovation
Jiangsu Provincial "Specialized, Sophisticated, Distinctive and Innovative" Small and Medium-sized Enterprise	2025	Jiangsu Provincial Department of Industry and Information Technology

Award/Recognition	Award year	Awarding Institution/Authority
High-Tech Enterprise	2025	Jiangsu Provincial Department of Science and Technology; Jiangsu Provincial Department of Finance; State Taxation Administration of Jiangsu Province
Future Unicorn Top 100	2025	Cyzone
First Prize, Jiangsu Future Industry Innovation & Entrepreneurship Competition	2025	Jiangsu Provincial Development and Reform Commission
Hurun Global Unicorn List	2025	Hurun Research Institute
2024 Top Ten Scientific Advances in Jiangsu's Key Industries	2025	Jiangsu Association for Science and Technology
Second Prize, National Finals of the 9th "Maker in China" SME Innovation & Entrepreneurship Competition (Enterprise Category)	2024	"Maker in China" Competition Organizing Committee
Jiangsu Postdoctoral Innovation Practice Base	2024	Jiangsu Provincial Department of Human Resources and Social Security
Jiangsu Potential Unicorn Enterprise	2024	Jiangsu Provincial Productivity Promotion Center
Yangzhou Innovation Consortium	2024	National Intellectual Property Administration
Provincial Key Promotion Catalog of New Technologies & Products	2023	Provincial Joint Conference Office for New Technology & Product Promotion
Second Prize, National Finals of the 12th China Innovation & Entrepreneurship Competition (Startup Category)	2023	Organizing Committee Office of China Innovation & Entrepreneurship Competition
National Patent-Intensive Product Certification	2023	National Pilot Platform for Recordation and Certification of Patent-Intensive Products
Jiangsu Provincial New Products & Technologies Certification	2023	Jiangsu Provincial Department of Industry and Information Technology